

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, FEBRUARY 4, 1932

ALLEMANIA FIRE

Insurance Company
Pittsburgh, Pa.
Incorporated 1868

WESTCHESTER FIRE

Insurance Company
of New York
Organized 1837

WESTERN

Assurance Company
of Toronto, Canada
Incorporated 1851

UNITED STATES FIRE

Insurance Company
of New York
Incorporated 1824

DECEMBER 31, 1930

Capital	\$ 5,000,000
Net Surplus	10,646,851
Liabilities	16,679,134
Assets	32,325,985

CRUM & FORSTER

MANAGERS

110 William St. New York City

=

Department Offices

Western Dept.	Southern Dept.
FREEPORT, ILL.	ATLANTA, GA.
Pacific Dept.	Carolinas Dept.
SAN FRANCISCO, CAL.	DURHAM, N. C.
Allegheny Dept.	
PITTSBURGH, PA.	

NORTH RIVER

Insurance Company
of New York
Incorporated 1822

DECEMBER 31, 1930

Capital	\$ 4,000,000
Net Surplus	6,370,934
Liabilities	10,543,736
Assets	20,914,670

BRITISH AMERICA

Assurance Company
Toronto, Canada
Incorporated 1833

RICHMOND

Insurance Company
of New York
Incorporated 1907

METROPOLITAN FIRE

Insurance Company
of Chicago, Ill.
Incorporated 1903

SOUTHERN FIRE

Insurance Company
of Durham, N. C.
Incorporated 1923

UNITED STATES

Merchants & Shippers
Insurance Company
of New York
Incorporated 1918

NEW YORK STATE FIRE

Insurance Company
of Albany, New York
Incorporated 1836

The City Surrounded By The United States . . .

"You will come here as soon as navigation opens . . . for here may well develop one of the finest cities in America, since here are such unusual advantages of location and of central geographical position." Thus spoke the farsighted engineer and explorer, Laclede, in 1763. The following year the building of St. Louis began.

Old St. Louis flourished in frontier prosperity. Up and down its waters floated the growing traffic of a continent. As the river trade grew there unrolled the vivid history and tradition of the central United States. The years roll on. Today where the once crude ferries plied their way, four mighty steel bridges span the river. The finest is the Eads Bridge, an engineering masterpiece which took ten years and \$10,000,000.00 to construct.

When the tides of trade turned from the river, St. Louis caught the cadence of the steam whistle to become America's second greatest railroad center with nineteen trunk lines operating twenty-nine lines and railroads. A huge \$2,000,000.00 municipal aviation field, one mile square, is located close to the city.



Rich in historic lore, St. Louis is even more interesting as a modern metropolis. Regarded as one of the great medical centers of investigation, knowledge and applied science, St. Louis proudly claims seventy hospitals of various types. Institutions of art, music, science, and education raise St. Louis high in the cultural sphere.

The spirit of modern progress is the spirit that moves St. Louis to do big things. Because of this spirit of progress and central location the Union Indemnity Company selected this city as the logical point for an office to service the insurance needs of the rich Mississippi Valley. Two states from the North and South, five states from the East and West, the St. Louis Office of Union Indemnity Company is an important unit in this Company's great net work of service offices which cover the entire United States.

Union Indemnity Company

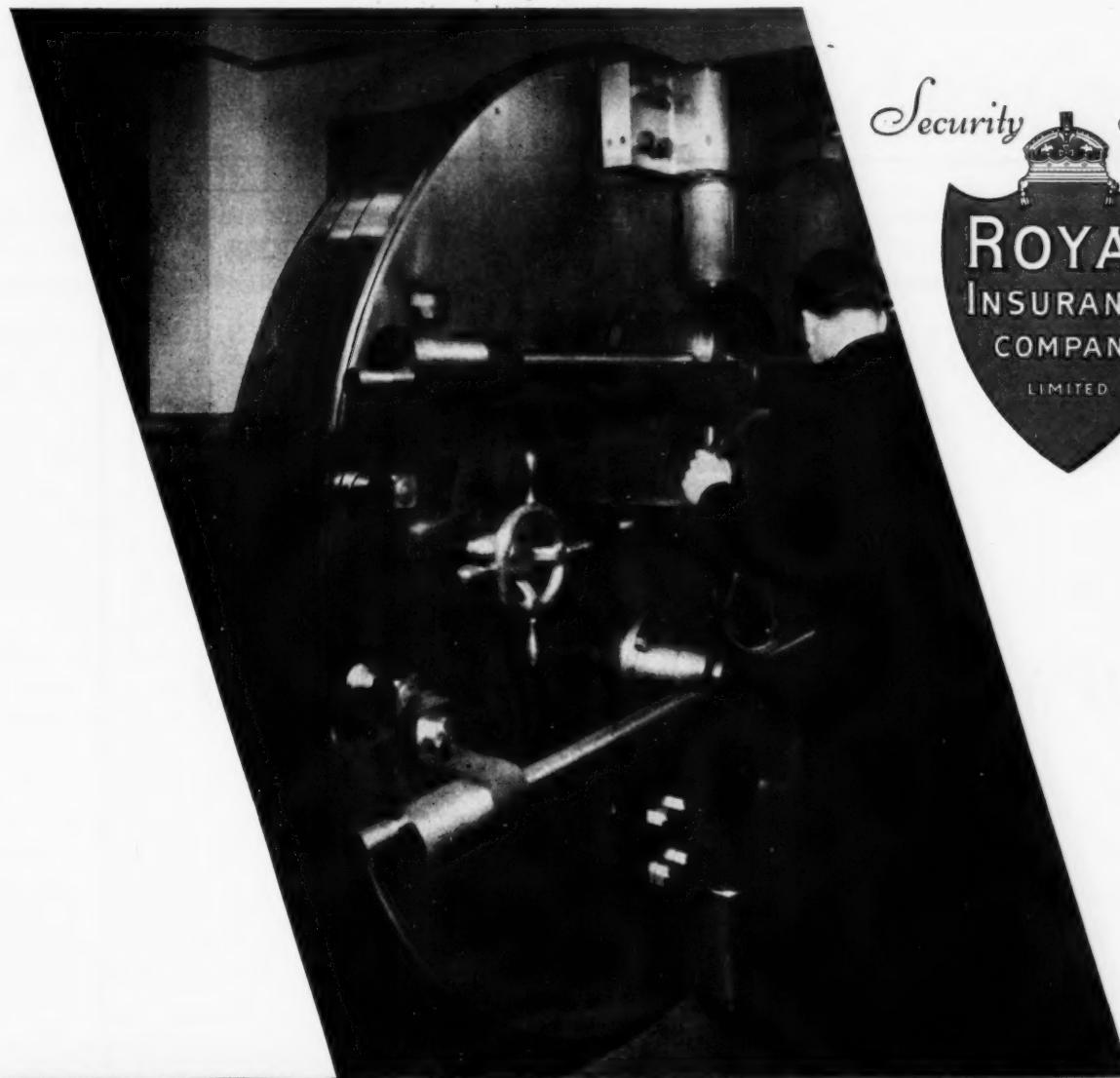
A DIVISION OF INSURANCE SECURITIES COMPANY, INC.



Detroit Life Insurance Company
La Salle Fire Insurance Company
Union Title Guarantee Company, Inc.

EXECUTIVE OFFICES: UNION INDEMNITY BUILDING, NEW ORLEANS

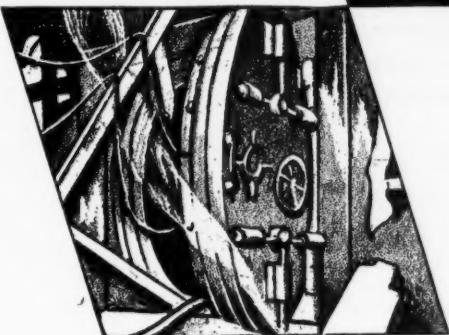
103 MAIDEN LANE, NEW YORK



Security First



© Ewing Galloway



"Safe as a vault!" . . . the last word in mechanical safety . . . so safe that the comparison is frequently used to describe the acme of safety.

The modern bank vault affords a degree of safety from loss that is **ALMOST** absolute.

Insurance written by the right company affords a degree of safety that IS absolute . . . absolute assurance of indemnity in the event of loss.

The "right" company is the ROYAL . . . look for the ROYAL shield . . . the sign of SECURITY FIRST.

ROYAL

INSURANCE COMPANY LTD
150 WILLIAM STREET ■ NEW YORK

GETS DAMAGE AFTER 17 YEARS.
Detroit.—(UP)—After seventeen years of waiting, Dr. [REDACTED] was awarded \$3,000 damages as the result of an automobile accident. Delay in the suit was caused by the deaths of three attorneys and one of the defendants, [REDACTED]. The judge granted judgement against the living defendant, [REDACTED].

Why Permanence is so Important to Your Clients

It is not often that as many as seventeen years intervene between the date of an accident and the day when the judgment is finally awarded. Delays of two, three and even five years, however, are frequent.

Because years often do elapse between the time one of your clients has an accident and the time when the judgment is rendered, it is very important that his Automobile insurance should be in a good strong company. Otherwise he might have to pay the judgment out of his own pocket, even though he were insured at the time of the accident.

The Travelers wrote the first Automobile Public Liability and Property Damage insurance policy. It has been insuring motorists for over thirty years. It insures more motorists today than any other company.

MORAL: Insure them in The Travelers



THE TRAVELERS

THE TRAVELERS INSURANCE COMPANY
THE TRAVELERS INDEMNITY COMPANY
THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD

CONNECTICUT

The National Underwriter

Thirty-Sixth Year No. 5

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 4, 1932

\$4.00 Per Year, 20 Cents a Copy

Fur Line Outcome Vital to I. M. U. A.

Association's Future Hinges on Decision Now to Be Made

VIEW OF M. V. CAMPBELL

Marine Official Automobile Also Discusses Motor Truck Contents Before Blue Goose

On the outcome of controversy over the personal fur floater and furrier's customer's floater depends the future of the Inland Marine Underwriters Association and to a large extent the future of the inland business, according to M. V. Campbell, western marine manager for the Automobile of Hartford, who addressed the Illinois Blue Goose at luncheon Monday.

Bringing about a parity between the individual fur policyholder and the fur certificate holder has caused the St. Paul F. & M., he recalled, to give 60 days notice of resignation from the I. M. U. A. It is confidently expected, he said, that reconciliation will be reached and the St. Paul will return to the ranks.

Few companies have been writing fur insurance, he said, but many are becoming interested and demoralization was approaching as broader and broader forms for dealers were being promulgated. The question, he said, is whether the marine companies can be welded together to regulate their own affairs or whether they must submit to state regulation.

Overlapping Situation

Mr. Campbell touched on the overlapping situation, stating that marine has encroached on every other form of insurance except life. He said that there is no better organization to control that tendency than the I. M. U. A. There is much agitation, he pointed out, against the personal property floater, inasmuch as under that form the fire hazard to furniture and other contents is insured in the home as well as burglary, water damage, explosion and the other hazards. He said that New York has prohibited this form; Michigan has prohibited it except for fire and in Texas a separate fire policy must be written.

Mr. Campbell devoted most of his time to a discussion of motor truck contents insurance. He pointed out the paradox of insurance companies being so vitally interested in the welfare of railroads, because of their large holdings of railroad securities, and at the same time their offering of insurance below cost to truckmen to permit them to compete with the railroads. He said that truckmen could not continue to operate without ability to pay damages, and adequate rates should be charged.

The speaker said that Michigan, Indiana, Missouri and Colorado have given

(CONTINUED ON PAGE 47)

Agree on Uniform Contract

Agents and Company Men in Complete Agreement After Ten Hour Detroit Session—Proves Value and Possibilities of Joint Conferences

DETROIT, Feb. 3.—In an uninterrupted ten-hour session, the joint committee on standardization of the agency contract form, meeting here last week, reached an agreement upon the terms and provisions of a uniform agency contract that will be submitted to the National Association of Insurance Agents and all of the company organizations for their approval with the recommendation that all carriers operating in the United States adopt it as soon as practicable.

Raymond Waldron, vice-president Detroit Fire & Marine, representing the Western Underwriters Association, presided. In his introductory remarks, Mr. Waldron pointed out that a standard agency contract had been discussed by the members of the Western Underwriters Association for the past four or five years, and added that the conditions of the past year or two had resulted in the desire to proceed at once with the task of preparing such a form. At the convention of the association at Manchester, Vt., in September, 1931, a tentative draft was offered and the consensus of opinion was that the time was ripe to invite members of the national agents' organization and the other underwriters' associations to participate in a joint conference for the purpose of agreeing upon such a form.

Original Draft Presented

The draft originally prepared by the committee on agency relations of the Western Union was introduced at the conference, together with several other agency contracts, from which the form agreed upon unanimously by the conference was evolved. As it was determined upon, the proposed standard form embodies nothing new, but simply combines the definition of the duties and powers of the agent with the certificate of authority now generally in use in such manner that the rights and interests of both the agent and the company are adequately protected. It proposes to be declaratory of the law, usage and custom that has evolved out of decades of company-agency relations.

Combined Established Principles

The proposed contract merely combines the principles that have become established practice between companies and agents in a brief and concise form, a form that will fully protect both parties. The two salient points in the contract are the provisions that monies collected by the agent as premiums are to be considered as trust funds belonging to the company and reaffirms the established customs regarding the ownership of expirations by the agent.

Some of the members of the conference were considerably embarrassed by the appearance of contract forms in the press which closely resembled the original W. U. A. form, but which has been greatly modified by the present conference. There are no forms of this nature which have been made public which have been approved by the committee,

and none will be so approved until the organizations represented have an opportunity to pass upon the details of the agreement discussed.

Utmost Harmony Prevailed

In an interview after the conference Chairman Waldron said: "I am very happy to say that the utmost harmony prevailed throughout the conference, clearly indicating the fact that company representatives and agents can get together amicably to discuss—and agree upon—matters of mutual interest. To my mind this is the most significant feature of the conference. The impression in insurance circles was that it would be virtually impossible to reach an agreement upon so vital a matter as a uniform agency contract that would be acceptable to committee members representing both the agents and the companies in one conference, but we succeeded in doing just that."

"There is nothing in the form we recommended that does more than support the principles which are generally subscribed to by agents and companies alike. We hope that all five of the organizations represented in the joint conference will adopt the form we shall submit to them. This move would greatly facilitate the matter of bringing a standard form into general use without undue delay. The need for such a form is greater today than it ever has been in the past."

Eliminate Undesirables

"The adoption of such a form will have a tendency to eliminate the undesirable agent, thereby improving the personnel of agency forces and adding an element of strength to the American agency system, something we are all deeply interested in. Several companies are asking their agents to sign a contract independent of our activity, so we feel that it would be much better in the interests of all to have a standard form in use as soon as possible."

"It is easy to see how difficulties can arise where a dozen companies are domiciled with an agency, each having a different contract, and some matter arises that makes it necessary to invoke these non-concurrent forms. How much better it would be if but one contract entered into the equation! If a standard form is adopted, we will be in a position to say to the new agent, 'Here is a form that is approved by the National Association of Insurance Agents as well as by the companies.' Surely there could be no question of the justice of its provisions."

Representatives Present

The following represented the National Association of Insurance Agents at the conference: George W. Carter, Detroit, chairman midwest conference committee; W. B. Calhoun, Milwaukee, president; Charles L. Gandy, Birmingham, Ala., chairman executive commit-

(CONTINUED ON PAGE 29)

High Record Set at F.U.A.P. Meet

Turnout Is Representative of Pacific Coast Fire Field

PROGRAM IS EXCEPTIONAL

John H. Martin New President—Los Angeles Branch Library Ordered
—Mrs. J. P. Moore Honored

SAN FRANCISCO, Feb. 3.—With an attendance somewhat below the normal of past years but nevertheless representative, with delegates from every part of the Pacific Coast, including Canada, the annual meeting of the Fire Underwriters Association of the Pacific was marked by the interest indicated in papers presented and the announced plan recommended by George V. Lawry, chairman executive committee, to consider establishment of a branch library in Los Angeles. This is in line with the suggestion made by H. B. Speer, president, in his address, for furthering the educational facilities of the organization.

Honor "Library Mother"

At the opening session Mrs. J. P. Moore, 87 year old "library mother" of the association, delivered her valedictory report and was immediately named librarian emeritus. John H. Schively, secretary California Insurance Federation, presenting her with a token of affection from association members, which now number 649, ten being admitted during the opening session. The association has 215 associate members.

In his presidential address Mr. Speer designated ten members for the honor of life membership, in recognition of 25 years continuous membership as follows: J. H. Banks, George W. Brooks, Clarence Deveuve, Harrison Houseworth, A. N. Lindsay, C. V. McCarthy, Walter P. Porep, M. E. Spalding, Neil Stewart, J. W. Warner and George T. Gray.

Lilly, Glover Absent

The address of George W. Lilly, manager Fire Companies' Adjustment Bureau, was read by K. W. Withers, Pacific Coast manager of the bureau. The address of F. S. Glover, special agent for the National of Hartford, was read by H. B. Mariner, American of Newark, who is secretary of the F. U. A. P.

L. S. Gregory, Fireman's Fund; J. K. Wooley, manager Washington Surveying & Rating Bureau, and Walter Fotheringham, assistant manager Aetna, constituted the committee which brought in the report at the closing session on reports of the secretary, treasurer, executive committee, educational committee and librarian.

The annual banquet in charge of Charles L. Barsotti was held with J. Hugh Jackson, dean of the school of

(CONTINUED ON PAGE 14)

Mortensen Calls Companies on Carpet for Violations

COMMISSIONER ON WAR PATH

Official Enforcing Requirement Policies on Wisconsin Property Be Counter-signed by Resident Agents

Commissioner Mortensen of Wisconsin these days is proving that he meant what he said in his recent announcement that the law prohibiting payment of commissions to non-resident agents on Wisconsin owned and controlled property will be vigorously enforced. Mr. Mortensen is calling company representatives on the carpet; specific alleged violations are being unearthed; policies are being canceled and rewritten on a large scale.

Mr. Mortensen's ultimatum was transmitted to the companies by the Fire Insurance Rating Bureau of Wisconsin. "It is not considered within the contemplation of section 207.01," the ultimatum stated in part, "that non-resident agents may receive a part of any commission on business located in Wisconsin and owned by Wisconsin residents."

Every policy must be issued, delivered and countersigned by resident, licensed agents.

Park After Evidence

C. M. Park, the newly appointed Wisconsin state rater, has been investigating questionable cases and establishing the facts of ownership. In addition, agents have been reporting alleged violations to the department. Company representatives are being summoned to Madison to explain their practices.

It developed that some of the fleet organizations have been attempting to circumvent the ruling, by writing Wisconsin risks for non-admitted brokers and agents in those companies in the fleet which are not admitted in Wisconsin. Those companies have attempted to justify that practice and have represented to Mr. Mortensen that the placing of such business in non-admitted companies places the transaction beyond his jurisdiction. He has responded, however, that he will welcome a test of his jurisdiction in that respect and has threatened to cancel the licenses of those companies in the fleets which are admitted in Wisconsin.

Progress Seen in Move for Fine Arts Standard Form

NEW YORK, Feb. 3.—Although substantial progress has been made by the committee of five of the Inland Marine Underwriters Association charged with the preparation of a standard form of fine arts policy, one or two troublesome points remain to be solved before the task is completed. The need for such a contract has been recognized for a long time, and once it is created and the line brought under proper supervision, much of the irritation now encountered in the solicitation of the business will disappear.

Just what the premiums had from fine arts coverage the country over aggregate, no one knows, each company carefully guarding its particular returns. Estimates as to the total income range from one to two million dollars annually, and as is true with many other divisions of insurance, the possibilities of the line, have not yet been approached. With but few exceptions art dealers everywhere carry the all risk cover, the business centering obviously in the large cities.

Values mount into high figures, notably with dealers carrying paintings by masters. Individual canvases are insured for as high as a million dollars, several being covered in private collections for that figure.

Double Decked



CHARLES R. TUTTLE

C. R. Tuttle of Chicago, who for many years has been in charge of the fire insurance activities of the North America group in the west, is now put in charge

McCain Reelected Chairman of I. U. B. Governing Board

OUTLINES SERVICE OFFERED

Harold Warner and B. M. Culver to Be Vice-Chairman and Treasurer Again

NEW YORK, Feb. 3.—W. Ross McCain, vice-president Aetna (Fire), continues as chairman of the governing committee of the Interstate Underwriters Board for another year, having been unanimously reelected at the meeting of the committee last week. Harold Warner, United States manager Royal-Liverpool & London & Globe group, and B. M. Culver, vice-president America Fore, were also reelected vice-chairman and treasurer.

Defining the purposes of the I. U. B. and the service it renders not alone to the member companies but to the busi-

(CONTINUED ON PAGE 31)

of all its departments including marine. Mr. Tuttle is one of the outstanding underwriters of his day and has built a remarkable organization for his companies.

THE WEEK IN INSURANCE

The new standard agency contract has been approved by the representatives of the National Association of Insurance Agents and company organizations at Detroit meeting. The splendid cooperative spirit at the gathering indicates the value of company-agent conferences.

Page 3

Action on **fur policies** called test for Inland Marine Underwriters Association.

Page 3

Fire Underwriters Association of Pacific holds annual meeting in San Francisco.

Page 3

Fire and marine departments of the **North American** group in the west are co-ordinated with General Manager C. R. Tuttle in charge of all activities.

Page 3

Silver jubilee anniversary of the **Ohio Blue Goose** celebrated at Columbus Monday night with a banquet. W. T. Benalock of Detroit, past most loyal grand gander, and C. P. Hellwell of Milwaukee, grand wielder of the goose quill, were present.

Page 3

Joy Lichtenstein, Pacific Coast manager Hartford group, tells F. U. A. P. closer union between fire and casualty operations is certain and desirable.

Page 5

Railroad wage cut of 10 percent seen by insurance men as means of working out salvation for railways, thus improving value of rail bonds held by many carriers.

Page 4

Objectives of the **Fire Companies Adjustment Bureau** are outlined before the annual meeting of the Fire Underwriters Association of the Pacific in a paper prepared by G. W. Lilly, manager of the bureau.

Page 5

Insurance division of the **American Management Association** holds session for discussion of problems at Dayton, O., with many fire company officials attending.

Page 10

Greater use of **condition charges** is advocated by C. D. Wentworth, Aetna special agent, in F. U. A. P. address.

Page 8

The **Interstate Underwriters Board** has reelected W. Ross McCain, vice-president Aetna (Fire), chairman of the governing committee. Harold Warner and B. M. Culver will serve again as vice-chairman and treasurer. Mr. McCain analyzes the purposes of the I. U. B.

Page 4

American fire company officials only academically interested in **Sino-Japanese Imbrogllo** as fire policies in force in scene of action all contain war exemption clause.

Page 12

Railroads' Wage Reduction of Interest to Insurance

ARE WORKING OUT SALVATION

Estimate Saving Will Permit Hiring Men to Overhaul Neglected Equipment This Year

NEW YORK, Feb. 3.—Decision of railway labor unions to accept a 10 percent cut in wages for one year, it is figured, will enable the roads to take on additional employees, some of whom will be assigned to repair rolling stock. While the roads have kept roadbeds and rails in first class shape throughout the depression, they have been compelled through loss of revenue to curtail repair work to such degree that some rolling stock has deteriorated sadly and now must be overhauled.

Too Much Regulation

As one of the basic industries of the country, the railroads were "regulated" by the federal government and many state governments to a degree that took the control of affairs largely out of the hands of railway officials and brought some of the roads to bankruptcy.

Feeling in days gone by that the bonds of prominent railways of the country offered about as secure a form of investment as could be had, insurance companies, particularly life offices, bought heavily of such securities and hence have a very vital specific as well as general concern in seeing that roads are relieved of many hampering governmental restrictions to which they have been subjected and be given fair opportunity to work out their own salvation.

The great majority of the rail properties carry fire insurance on their terminals, warehouses, repair shops and rolling stock. While the indemnity has decreased materially within the past two years, none of the roads has cancelled its insurance protection, considering it more necessary in times of depression than ever. Fires in railway terminals and warehouses in different parts of the country were severe in 1929 and 1930, and happily for the roads the losses were made good by insurance companies.

Palmer to Be Speaker

Ernest Palmer, manager of the Chicago Board, will be on the program for the 50th anniversary meeting of the New York State Association of Local Agents at Syracuse, May 23-25. It is likely that he will be the toastmaster at the banquet.

Master Starts Hearings on Missouri Rate Case

Paul Barnett of Kansas City, Mo., special master in chancery in the new Missouri rate cases, in which the companies are charging a 16½ percent increase in rates over the protest of the Missouri department, began a series of hearings for the introduction of state testimony in opposition to the higher rates in New York this week.

It is anticipated that it will take about six months to complete the state's testimony and in addition to the New York hearings, Mr. Barnett will hold sessions later in Chicago and Kansas City. After the testimony is in there will come the arguments of counsel before the master and another six months' delay or so for him to decide on and prepare his report to the special federal tribunal of three judges at Kansas City, which many months ago issued 144 separate injunctions at the request of as many companies restraining Superintendent Thompson and other state officials from interfering with the collection of the higher rates pending the outcome of the litigation.

Closer Casualty, Fire Union Seen

Ambidextrous Field Men and Executives Needed, Lichtenstein Says

GIVES F. U. A. P. SPEECH

Hartford Manager Says Differences Between Two Branches Can Be Composed—Similarities Important

Ambidextrousness, so to speak, on the part of insurance executives and special agents, is already developing and is destined to become more or less universal. In other words, the distinction between fire and casualty men is disappearing and it is important that the management of the two lines be coordinated to an even greater extent. That was the message of Joy Lichtenstein, manager of the Pacific department of the Hartford Fire, in his address before the annual meeting of the Fire Underwriters Association of the Pacific.

Mr. Lichtenstein said that there are only two basic differences between casualty and fire—in casualty there is third party insurance and the feature of deferred liability is present. The basic differences, he said, are comparatively unimportant, only requiring understanding to cease to be impediments.

Non-Basic Differences

What he referred to as non-basic differences, Mr. Lichtenstein said, "will be ironed out and adjusted as time goes on." These differences are largely in the productive, rating and policing organizations. The essential similarities, he said, are all-important, being the same organization framework, the same agents and the same customers.

Mr. Lichtenstein pointed out that the fire business is conducted by local agents who are all on a parity commission-wise and territory-wise. There are minor exceptions, including excepted cities, general agencies and a few branch offices.

In casualty, however, the productive organization is more varied and complex, he pointed out. The principal difference between fire and casualty is in connection with general agencies. The difference in rates and commissions in the casualty business has been a source of bother, particularly in automobile, he said.

Fire Is Decentralized

Rating organizations and police control in the fire business, except for automobile, are decentralized, while in the casualty business it is centralized. Mr. Lichtenstein is of the opinion that the tendency will be for the fire business to become more centralized instead of the casualty business becoming decentralized.

The similarities are important. Both types of companies have about the same corporate and much the same management setup. Both have capital and surplus usually in the same proportion and premium reserve figures the same way, although because there is less term business, there is proportionately smaller premium reserve in casualty but a higher claim reserve.

Both branches deal with the same producers and customers. Agents are interested in selling "accounts" today instead of merely individual policies. The insurance requirements of prospects are surveyed. That, he said, makes coordination in management desirable.

(CONTINUED ON PAGE 31)

Adjustment Reform Goal Outlined by G. W. Lilly

Lack of professional treatment on the part of adjusting agencies and a passive attitude on the part of the insurance interests are among the greatest evils in the business, according to a statement in the paper prepared by George W. Lilly, manager of the Fire Companies' Adjustment Bureau, which was read at the annual meeting of the Fire Underwriters Association of the Pacific, Mr. Lilly not being able to be present.

Overpayment of losses, improper agency and public contact, to some extent the increase in arson and other frauds, are caused by lack of professional treatment, according to Mr. Lilly. The passive attitude, Mr. Lilly attributes to a want of understanding of the business on the part of the companies and its effect upon the companies' purse, agency morale and public reaction.

Adjusters' Responsibility

Adjusters, Mr. Lilly believes, must accept much responsibility for public ill-will, unpleasant agency reaction, legislative harassment.

Reform must be brought about by a centralized governing factor in active control, according to Mr. Lilly.

Paul L. Haid, head of the America Fore companies and president of the Fire Companies' Adjustment Bureau, Mr. Lilly recalled, is the author of the idea of the single adjusting organization—a company owned adjustment bureau of national scope. It is the first task of the bureau, according to Mr. Lilly, to absorb all of the company owned adjustment bureaus in the country and to invite into its employ all of the thoroughly qualified independent adjusters and organizations, followed by a gradual weeding out and shifting of personnel so that efficiency and proper balance of talent may be had in every branch office.

Competitive Bidding

Mr. Lilly commented on the "evils" resulting from competitive bidding for adjustment work and the expense incurred by company adjustment organizations in having to solicit. Competition, too often, he said, is based on friendship, good fellowship and "ability successfully to originate pressure through improper channels and cause a complete diversion from good ethics and sound practices." Unqualified adjusters, he said, are enjoying "flattering remuneration."

"The adjuster is," Mr. Lilly declared,

"the personality of his principal in delivering indemnity, the commodity sold, and in carrying out his principal's responsibility and sense of justice under a contractual obligation."

Thus, according to Mr. Lilly, the business must be elevated to its proper place in the respect and esteem of public and agents. Adjusting is work for mature business men, he said. It is not work for the youthful. Younger men must be educated for business in other ways than actual loss adjusting. The Fire Companies' Adjustment Bureau is planning a program of continuous education, he said. Studies will be outlined and some method of enforcing study will be introduced.

Character and Ability

The value of adjusters will be measured strictly by character and ability. There will be close, active, personal supervision of the field by men of superior capacity. Methods will be introduced either that will cause the development of the adjuster or disclose his shortcomings. Full responsibility will be placed upon him. His reports and proofs will go direct over his signature. Each branch office will be a complete unit and will not report through the general office. Bills for services will be prepared locally. There will be greater flexibility of branch office territory than heretofore. Important losses will have the attention of specialists regardless of branch and departmental jurisdiction.

Loss committees in the various state field clubs are being sponsored to act as a cooperative agency between adjusters and field clubs for the improvement of loss conditions and to assist in the development of the Fire Companies' Adjustment Bureau. Associations of loss executives in headquarter cities will be encouraged and that, incidentally, is a pet hobby of Mr. Lilly's. When he was western loss superintendent for the America Fore companies, he fathered the loss executives association at Minneapolis.

Diplomacy Is Important

"Much consideration," he said, "will be given to the technique of successful human contact." Inferior diplomacy and psychology are responsible for many troubles in adjustments. Heated controversy and courtesy breed evil and usually cause overpayment. "In the ad-

(CONTINUED ON PAGE 29)

Two Departments Are Now Combined

C. R. Tuttle Heads Both Fire and Marine Authorities in the West

MOVE BY NORTH AMERICA

Work Will Now Be More Closely Coordinated With Able Lieutenants in Charge

The North America and its affiliated companies have heretofore maintained separate fire and marine departments in the west with headquarters at Chicago. The fire department was under the supervision of General Manager C. R. Tuttle and the marine, under Dow & Bannard.

The company feels that there can be more efficient handling of the entire business through coordination of the various lines written by the companies and the two departments have been combined in Chicago under General Manager Tuttle. This will mean more satisfactory and efficient service both from the office and field standpoint. Mr. Tuttle therefore announces that W. H. Riker, H. A. Miller, L. J. Braddock and W. S. Foster, who have heretofore been assistant managers in the fire department, are made associate managers and will have charge of all activities including marine in their respective fields. C. Heath Bannard, Jr. and R. V. Robinson, who have been in charge of the marine department, are made associate managers. M. G. Egbert, Norman W. Brayley and H. W. Melville are appointed assistant managers.

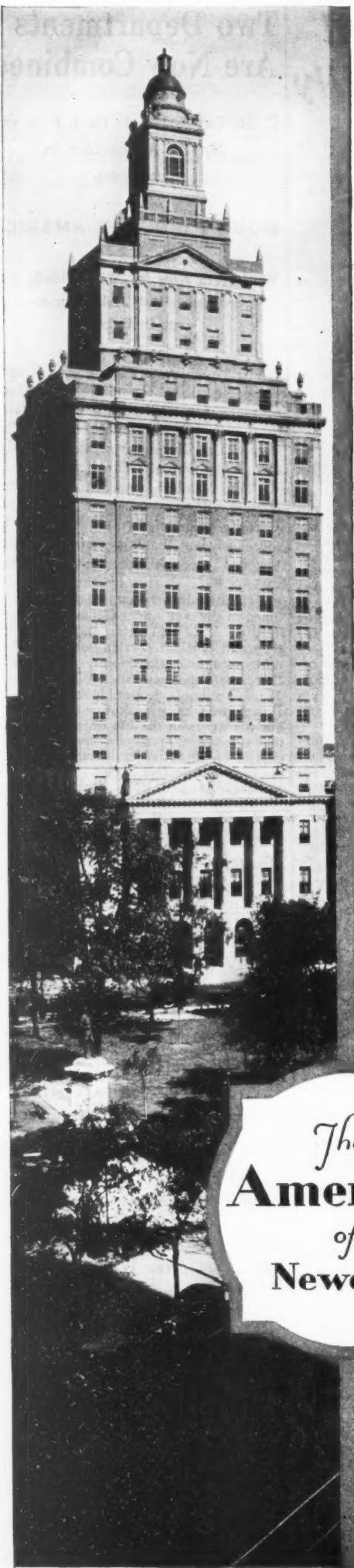
Continue As Before

W. B. Flickinger continues as manager of the Philadelphia Fire & Marine and W. P. Robertson as manager of the Alliance. Mr. Robertson, as already announced, has had added to his duties public relations work of the entire group for the country and in that connection takes the title of assistant to the president.

Mr. Bannard is a general marine man, being well acquainted with all its operations, and will continue that work. R. (CONTINUED ON PAGE 31)

FIGURES FROM DECEMBER 31, 1931, STATEMENTS FIRE COMPANIES

STOCK COMPANIES											
	Assets	Gain in Assets	Reins. Res.	Gain in Reins. Res.	Capital	Surplus	Gain in Surplus	Losses Paid	Total Premiums	Net Loss Ratio	Percent
Aetna	\$ 53,959,123	—2,967,533	21,137,324	—2,789,505	7,500,000	14,429,704	—3,662,301	12,240,168	20,404,012	59.9	
Baltimore Natl.	138,092	—2,799	—	—	105,000	18,114	—2,078	7,626	16,466	46.0	
Equit. Fire, S. C.	1,074,958	—36,969	144,443	—	204	300,000	523,574	—47,445	104,313	174,703	
Homeseekers Fire	248,772	—	—	—	200,951	30,548	—14,611	1,701	11,597	14.6	
Penn. Indem. Fire	703,758	97,919	226,724	82,948	200,000	232,631	9,615	52,208	333,071	15.4	
Piedmont Fire	1,091,354	—53,449	158,642	—27,922	200,000	623,549	—135,719	154,644	160,023	96.6	
Prudential, Okla.	491,409	504	72,063	9,592	250,060	169,152	—4,061	21,935	69,288	31.6	
United Auto., Mich.	181,901	—	—	—	100,000	19,091	—4,064	53,085	95,337	55.0	
World F. & M.	4,393,283	177,823	1,233,585	—120,109	1,000,000	1,742,108	160,316	752,868	1,268,021	59.3	
MUTUALS											
	Cash Assets	Total Assets	Unearned Premis.	Cash Surplus	Total Surplus	Premis.	Losses Paid	Total Income	Total Disburs.	Amount at Risk	
Autoist Mut., Ill.	\$ 729,416	\$ 161,768	\$ 161,768	\$ 292,754	\$ 35,939	\$ 141,017	\$ 196,858	\$ 208,650	151,212	\$ 59,913,595	
Badger Mutual	535,939	159,274	159,274	535,939	535,939	42,761	42,761	42,761	3,150,315	3,207,116	457,152,084
Central Manuf., O.	4,212,899	7,888,422	1,992,207	1,807,369	5,452,893	2,950,713	1,301,820	1,327,207	3,037,012	2,944,617	
Detroit Auto. Inter-Ins.	4,245,100	4,245,100	4,245,100	1,409,474	2,173,219	2,173,219	2,819,948	2,819,948	100,541	212,825	209,879
Druggists' Mut., Ia.	280,346	280,346	93,099	165,795	165,795	199,440	1,596,050	1,596,050	3,990,407	4,066,858	489,583,688
Hardware Dealers	4,292,328	4,292,328	2,590,580	1,388,359	1,388,359	3,804,001	1,314,115	1,314,115	145,087,528		
Hurst Home, Ky.	219,690	270,690	—	249,690	269,390	112,915	49,570	123,082	79,486	15,826,111	
Ind. Lumber. Mut.	2,267,021	3,639,132	700,769	1,487,202	1,487,202	1,202,625	462,668	1,334,466	1,311,726	178,184	14,958,139
Iowa Hdw. Mut.	195,700	266,645	73,369	199,274	171,778	284,775	73,313	502,948	370,996	63,852,000	
Merc. & Bu. M. M., Pa.	1,057,176	1,077,258	189,985	842,731	862,813	283,146	75,904	98,237	595,592	280,432	451,153,075
Mich. Mut. Windstorm	644,474	742,021	—	—	—	513,234	180,121	64,872	186,682	173,817	
Mid-W. Auto. Und., Ill.	122,472	148,147	41,186	—	—	61,249	—	—	—	—	
Millers Mutual, Pa.	1,334,812	1,387,756	276,652	—	—	852,755	549,406	140,706	639,657	587,147	68,342,729
Minn. Impl. Mut.	3,082,457	3,769,904	2,482,572	—	—	956,769	3,689,911	1,599,477	3,861,138	4,147,062	459,085,942
N. Am. Int.-Ins., N. Y.	751,106	764,805	106,643	—	—	768,012	113,672	9,834	153,153	374,461	54,528,700
Providence Mut.	1,156,463	1,156,463	246,798	884,408	884,408	128,884	34,949	128,884	225,867	162,736	60,659,554
Richland County Mut.	431,382	2,476,107	14,864	417,942	2,459,668	115,155	42,393	133,948	107,965	47,225,914	



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INSURANCE GUIDE

THE AMERICAN GROUP — American • Bankers • Columbia • Dixie

NEWS OF THE COMPANIES

Report on Fireman's Fund

President Levison Comments on Some of the Main Items in Its Statement

SAN FRANCISCO, Feb. 3.—All directors of the Fireman's Fund here re-elected at the annual stockholders meeting. Several important changes in the personnel of the officers were made with the retirement of Treasurer T. M. Gardiner after 48 years service; Marine Secretary A. W. Follansbee, Jr., after 40 years' service, and Assistant Secretary John S. French after 41 years service. George Jordan is made marine secretary. He was manager of the Atlantic marine department. No successors were appointed to Messrs. Gardiner and French.

President Levison's Report

In his annual report President Levison called attention to the fact that the business of insurance, because of its essential character, had not suffered as severely during the depression as most other important lines, this being evidenced by the fact that the company's income from fire premiums showed a shrinkage, after allowing for unusual transactions, of only 7.8 percent compared with 1930. He also referred to valuation of securities and the plan adopted by National Convention of Insurance Commissioners, modified by the Connecticut department, stating this plan, including setting aside of the reserve, has been followed by the Fireman's Fund and indicating the character of the investments of the Fireman's Fund group he stated the investment of the five companies, exclusive of stock of the subsidiary companies, are divided 83 percent in bonds and 17 percent in stocks.

Figures Are Presented

Figures presented showed Fireman's Fund assets \$34,992,929; policyholders surplus \$17,060,768; premium reserve \$13,327,592.

Commenting on the fire insurance situation nationwide Mr. Levison observed that 35 companies had withdrawn from active operation, most of these companies being organized during 1927 to 1929. The elimination of these companies has brought some relief from the demoralizing competition and warrants the prediction of a higher degree of cooperation between companies than has existed for years he said. He declared the record of the Fireman's Fund and affiliates with its organization almost 70 years old, "justifies looking to the future with courage, confidence and optimism."

Occidentals Figures

Premium income of \$502,000 against \$1,091,000 in 1930 was reported at the annual meeting of Occidental; income from investments was \$172,086 against \$168,358, assets \$3,811,706 against \$3,709,000; premium reserve \$849,832 against \$886,000. Policyholders surplus amounts to \$2,658,311 against \$2,778,000 which President Levison explained reflected the reduction in premium income and shrinkage in security values. He stated that "contrary to usual experience in past depressions, fire losses had not increased as business had shrunk so that taking the shrinkage in commodities, etc., into account, the situation is far from discouraging."

Republic Reports Gain

The Republic of Dallas reported that it had \$5,859,913 in assets at its annual meeting last week. This was an increase over 1930. The surplus showed a gain of \$101,261, or a total of \$1,954,328. The Republic declared its usual semi-annual dividend of 5 percent. All officers were reelected.

Underwriting Profit Shown

Aetna and World Fire & Marine Make Trade Gains, Annual Figures Given

Total assets of the Aetna (Fire) as of Dec. 31, 1931, amounted to \$53,959,123, decrease \$2,967,533; premium reserve was \$21,137,324, as compared with \$23,836,540; capital, \$7,500,000; surplus, \$14,429,704, decrease, \$3,662,301.

Net premiums amounted to \$20,404,012 as compared with \$23,867,823. The loss ratio on the basis of losses paid to premiums written was 59.99 percent. Underwriting profit was \$575,980. An item of \$3,019,000 was set up to adjust security holdings as required by Commissioner Dunham of Connecticut.

Total assets of the World Fire & Marine, a member of the Aetna group, amounted to \$4,393,283, increase \$177,823; premium reserve, \$1,233,585, decrease \$120,109; capital, \$1,000,000; surplus, \$1,742,108, increase, \$160,316.

Net premiums amounted to \$1,268,021 and losses \$752,868. Underwriting profit was \$132,443.

Total assets of the Piedmont amounted to \$1,091,354, decrease, \$53,449; premium reserve, \$158,642, decrease \$27,922; capital, \$200,000; surplus, \$623,549, decrease \$135,719.

Net premiums amounted to \$160,023 as compared with \$188,477. Net losses were \$154,644. The loss ratio was 96.65 percent.

President R. B. Ives stated that nearly one-half of the Aetna's loss in premium was on a class of business which the company declined to renew because of its undesirable character.

Figures of the Century Indemnity of the Aetna group appear in the casualty section.

Phoenix of Hartford Items

Annual Figures of the Three Companies in the Group Taken From Their Statements

The Phoenix of Hartford, Connecticut Fire and Equitable Fire & Marine have issued their annual statements. The group as a whole showed net premiums \$16,674,095, decrease \$2,137,181, loss ratio 49.3 percent, expense 51 percent. That left a trade loss of \$46,650. On a premium earned basis the underwriting profit was 10.1 percent. There was an investment income of \$2,838,425. The net income in excess of outgo was \$2,862,979.

The assets of the Phoenix are \$42,937,765, decrease \$400,629, surplus \$19,679,684, decrease, \$848,746, reserve \$10,928,478, decrease \$1,113,238.

The Connecticuts assets were \$20,322,840, increase \$177,209, surplus \$8,861,433, increase \$148,818, reserve \$6,594,771, decrease \$671,782. The Equitable shows assets \$6,596,764, increase \$66,271; reserve \$1,318,951, decrease \$134,356; surplus \$3,439,843, decrease \$20,174.

President Milligan's Comment

President Edward Milligan in commenting on the results said that while every effort has been made to keep up the premium volume it had been found quite impossible to overcome the deterrent factors — falling commodity prices, country-wide business depression, bank failures, low inventories, the spirit of economy abroad in the land and the materially reduced corporate and individual income. He said that heavy cancellations have adversely affected the premium account. While it is true, President Milligan stated, that the earnings for last year would in a normal year, be considered quite satisfactory, it should be borne in mind that the underwriting profit was entirely due to a re-

duction in reinsurance reserve and that a substantial increase in the premium income of 1332 would necessitate this fund being turned back into the fund from which it came. The depreciation in the market value of securities did not, he stated, represent an immediate or ultimate loss. The company does not care so much about security values, its principal concern being the stability of the income derived therefrom.

Home's Statement Issued

Main Items in Its Annual Financial Exhibit Are Presented—Net Surplus Is \$14,258,594

The Home of New York has presented its annual statement showing assets \$112,247,919, premium reserve \$38,710,887, loss reserve \$6,496,118, reserve for depreciation of securities \$25,000,000, capital \$24,000,000, net surplus \$14,258,594. Its stocks and bonds amount to \$72,214,939. The Home sets up a \$25,000,000 fluctuation reserve for securities and thus is able to present statement really based on Dec. 31 figures. Its capital and net surplus give policyholders' surplus of \$38,258,594.

Automobile of Hartford and Standard Fire Statements

The Automobile of Hartford in its new statement shows premiums \$6,992,768, decrease \$310,217. The underwriting loss was \$239,989. The interest income was \$717,354. The year's earnings were \$477,365. The assets are \$20,710,440. Securities depreciated \$475,090. A special reserve of \$1,510,887 is set up to adjust security holdings. It has \$5,000,000 capital and net surplus \$4,992,482, a decrease of \$2,010,180. A special contingency reserve of \$1,510,887 has been set up.

Premiums of the Standard Fire of Hartford were \$1,633,940, increase \$187,763. The underwriting loss was \$126,803. The net interest income was \$142,774, giving earnings of \$15,971. The premium reserve was \$1,763,773, gain \$125,452. The assets are \$4,682,231, depreciation in securities \$62,801. It put up a special reserve of \$264,771 to adjust security holdings. The capital is \$1,000,000 and the net surplus is \$1,372,328, increase \$315,822. During the year the stockholders contributed \$627,296 to surplus.

General of Seattle Group Annual Statements Are Out

The General of America companies of Seattle have issued their annual statements. The parent company, the General of Seattle, shows assets \$5,331,113, premium reserve \$1,814,558, capital \$1,000,000, net surplus \$1,566,672. The surplus includes the amount required to adjust security values to actual market value Dec. 31 amounting to \$292,719.

The First National of Seattle shows assets \$3,306,430, premium reserve \$982,233, capital \$1,000,000, net surplus \$921,731. This includes \$420,468 to adjust security values.

The General Casualty shows assets \$2,401,709, premium reserve \$677,459, loss reserve \$617,749, capital \$500,000, net surplus \$716,216. The amount required to adjust security values as of Dec. 31 is \$164,690.

Millers National Uses Dec. 31 Figures; Premiums Up

The Millers National of Chicago shows assets of \$4,987,734 as compared with \$5,804,811 at the end of 1930. It is one of the few companies so far to use Dec. 31 market values. Surplus on that basis is \$2,424,878 as compared with \$2,847,794, but the company points out

that if June 30 valuations were used, assets and surplus would be greater by \$557,931. Premium reserve is \$2,059,600. Net premiums written amounted to \$2,558,861, increase \$159,419. The loss ratio was under 45 percent on the earned premium basis.

Providence Washington Has Surplus Account Increase

The Providence Washington reported total assets of \$17,210,769 as of Dec. 31, 1931, compared with \$17,818,092 the year before. Bonds were entered according to the amortized value while Dec. 31 prices were used for all other securities. Capital is \$3,000,000; unearned premiums \$4,789,108 as compared with \$5,142,941; surplus \$8,303,700 as compared with \$8,159,491. Investment income and underwriting profit amounted to \$1,244,002. Dividend requirements were \$660,000.

Assets of New Hampshire Are Only Slightly Lower

The New Hampshire Fire shows assets of \$17,450,259 at the end of the year compared with \$17,750,177 a year ago. After setting up a securities fluctuation reserve of \$2,325,343 surplus is \$6,047,806 as compared with \$8,380,739 a year ago. Surplus on the basis of the values authorized by the National Convention of Insurance Commissioners is thus \$8,373,149. Premium reserve is \$4,974,184 as against \$5,212,038. Total income for 1931 was \$5,104,706.

Universal Automobile-Trinity Fire

The Universay Automobile and Trinity, both of Dallas, are run under the same management, E. T. Harrison being president. The Universal Automobile shows assets \$2,693,568, premium reserve \$1,020,335, liability claim reserve \$259,029, capital \$7,500,000, net surplus \$263,072.

The Trinity Fire shows assets \$2,085,614, premium reserve \$542,779, capital \$1,000,000, net surplus \$1,382,843. Both companies are popular in their field.

Glens Falls Record

The Glens Falls shows total assets of \$19,789,151 as compared with \$20,751,462 as of Dec. 31, 1930. Surplus is \$5,741,710 as compared with \$6,272,921. The official average valuation method is used.

In addition, \$2,460,470 is held in trust for stockholders, being the net assets of the Glens Falls Investing Corporation.

Premiums amounted to \$7,274,829 as compared with \$7,772,200. Interest, dividends and rent amounted to \$739,234, war claims \$34,996. Decrease by adjustment in book value and loss on sale of securities amounted to \$632,586.

Prudential's New Lineup

Charles W. Gunter of the American First National Bank of Oklahoma City was elected first vice-president of the Prudential Fire of that city at the annual meeting, to succeed the late Ed Overholser. President T. E. Braniff and all the other officers were reelected. New directors are J. F. Owens, manager Oklahoma Gas & Electric Company, and T. H. Bolend, theater man.

The Southern Home of Charleston, S. C., has declared a 5 percent dividend, the first since 1929. Its premium income increased \$78,000 last year.

Fire insurance engineer, eight years experience with Rating Bureau and local agency, desires position with large agency or company in middle west. Not adverse to traveling. Address U-85, The National Underwriter.

Annual Statements

»»

THERE never was a keener interest in annual statement figures than agents and brokers are showing this year. The new statement figures of companies are being watched for with an eagerness, and even an impatience, not equalled for the past 25 years.

Most agents and brokers are not clear as to the financial standing of the companies they represent. They may not be apprehensive, but they certainly are in doubt. They want to know where their companies stand. They have a right to. They are not hoping for many "good" statements, nor are they fearing that a number of "bad" ones will be published. All they want to know is what the actual situation is, but they want to know that as soon as possible.

Every solvent, going company should advertise its annual statement figures this year, whether it has done so in the past or intends to in the future. By neglecting to do so may cause the very doubts about itself that it does not want to exist.

Everyone in the insurance business that you want to reach with your statement figures is a reader of The National Underwriter. Remember, agents and brokers are not so much interested in how "good" your statement is as they are in what it is. Make the situation regarding your company clear and definite, not only to your own agents, but to the insurance fraternity as a whole. Advertise your annual statement in The National Underwriter.

(Number 15 of a series devoted to the merits of National Underwriter advertising)

»»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

Ohio Blue Goose Celebrates Silver Jubilee at Banquet

BENALLACK CHIEF SPEAKER

Grand Wielder of the Goose Quill Hellowell Took Part in the Proceedings

The Ohio Blue Goose held its silver jubilee banquet Monday evening at Columbus. The Ohio pond was established Feb. 5, 1907, when a flock of Michigan Blue Geese flew down to Columbus to initiate the charter members and install the officers. The Michiganders who did the work were W. F. Hawxhurst, W. S. Abbott, W. T. Benallack, D. W. Andrews, A. F. Powrie, J. W. O'Brien, C. A. Reekie and F. A. Verner. Of that team Messrs. Benallack, Powrie and Reekie survive. Mr. Benallack is a past most loyal gander of the Michigan pond and is past most loyal grand gander. He was present Monday night and gave the chief address.

Delegates from Other Ponds

There were a number of representatives from other ponds:

Michigan—W. T. Benallack, C. L. Hecox, Ray Dillon, Stuart Morgan, George P. Kessberger.

West Virginia—I. F. Minan, Scottish Union & National; Mr. Watson, West Virginia Inspection Bureau.

Indiana—T. W. Strickman, North America.

Kentucky—Young E. Allison, "Insurance Field."

Illinois—R. R. Lippincott, Western Adjustment; F. M. Yeaton, New Hampshire; C. J. Lingensfelder, America Fore;

C. M. Cartwright, THE NATIONAL UNDERWRITER; John Rygel, Hanover;

(CONTINUED ON PAGE 20)

Changes in the FIELD

Aetna and World Transfers

W. E. Minner, Jr., Goes to Tennessee—
J. J. Rusco, From Minnesota,
Takes Illinois Post

W. E. Minner, Jr., special agent who has been traveling in central Illinois, has been transferred to Tennessee for the Aetna and the World. His headquarters will be at Nashville, where he will be associated with State Agent N. B. Berry. J. J. Rusco, special agent, has been transferred from Minnesota to central Illinois, succeeding Special Agent Minner in that territory. His headquarters will be at Springfield, where he will be associated with State Agent H. M. Callahan.

Bruce Kennedy

Bruce Kennedy, who has been connected for several years with the Trusco Insurance Agency of Miami, has been appointed special agent in Florida for the Hurt & Quin general agency of Atlanta. He succeeds the late F. J. Malone. Headquarters will be in the First National Bank building, Tampa. Before being connected with the Trusco Insurance Agency, Mr. Kennedy was with the Florida Inspection & Rating Bureau.

J. K. Battershill

J. Kenneth Battershill will join the New York City loss department of the Firemen's group March 1.

Mr. Battershill has been state agent for the Monarch Fire for Missouri and Kansas. Before joining the Monarch

Greater Use of Condition Charge Urged by Wentworth

EDUCATION IS NOT ENOUGH

Aetna Special Agent Makes Recommendation in Fire Underwriters Association Pacific Address

The so-called condition charge should be applied more frequently by rating bureaus, according to C. D. Wentworth, special agent for the Aetna in Spokane, who addressed the annual meeting of the Fire Underwriters Association of the Pacific. Mere education as to fire hazards is not enough, he said. The careless persons who fail to heed fire prevention advice, should be penalized.

The threat of a condition charge should be held over the heads of careless property owners to induce them to correct the hazard.

Many risks, he said, are getting rate advantages because of fire doors, first aid equipment and other protective devices, although these devices are not properly maintained. More frequent inspections are therefore indicated, he said.

Mr. Wentworth advocated use of a specific symbol in publishing an increase in rates where due to penalty for an undesirable condition. That would stand out as a danger signal. It would also inspire the producer to pay greater attention to supervision of his line.

He was manager of the St. Joseph, Mo., office of the Underwriters Adjusting. He is a son of John Battershill, state agent in Missouri for the Firemen's group.

L. J. Dreyer

L. J. Dreyer has been appointed special agent of the American Alliance and

Mid-year Meeting Plans of National Agents Association

The mid-year meeting of the National Association of Insurance Agents will be held at the Hotel Cleveland in Cleveland, March 22-24. Secretary W. H. Bennett was in Cleveland last week, following a conference at Detroit over the agency contract form. He went over the ground at Cleveland with H. R. Manchester, National association leader, and president of the Cleveland Insurance Board. The executive committee will meet March 21 and the following day will be given over to the meeting of the national council, the state officers meeting in the afternoon. A joint meeting of the national council and the state officers will be held with the national executive committee at luncheon. The annual get together dinner will be held on Tuesday night and the regular sessions will be held Wednesday and Thursday March 23-24.

Capital Is Reduced

Capital of the Iowa National Fire of Des Moines, which is owned by the Fire of Chicago, has been reduced from \$500,000 to \$200,000, the difference being transferred to surplus.

Massachusetts F. & M. in western Pennsylvania outside of Allegheny County, succeeding A. B. Ward, resigned. He will have his headquarters in the Commonwealth building, Pittsburgh. He has been assistant special agent of the Great American in West Virginia. Before that he was at the head office of these companies in New York City.

Ethel Pace, well known local agent at Normal, Ill., is at Brokaw hospital, Bloomington, having undergone an operation.

FIFTY-SIXTH ANNUAL STATEMENT

DECEMBER 31, 1931

MILLERS NATIONAL INSURANCE COMPANY
CHICAGO, ILLINOIS

ASSETS

Bonds (at market value Dec. 31, 1931).....	\$4,107,448.00
Stocks	300.00
Real Estate Mortgages, First Lien	76,313.80
Real Estate	126,251.48
Contracts Receivable, Secured by Title.....	2,000.00
Cash in Banks and on Hand.....	300,132.86
Premiums in Course of Collection.....	276,817.63
Accrued Interest on Investments	97,412.85
Re Insurance Recoverable on Paid Losses.....	1,057.61
	\$4,987,734.23

LIABILITIES

Reserve for Unpaid Losses	\$ 213,255.32
Reserve for Unearned Premiums	2,059,600.22
Reserve for Accrued Taxes	60,000.00
Reserve for Other Claims	30,000.00
Reserve for Contingencies	200,000.00
Surplus	2,424,878.69

\$4,987,734.23

This statement shows condition based on market values, December 31, 1931, obtained from Poor's Publishing Company. At the June 30th valuations, authorized by many insurance departments, the assets and the surplus would be larger by \$557,931.82.

The underwriting experience for 1931 was very satisfactory, showing a loss ratio under 45% to premiums earned.

COMPARISON WITH LAST YEAR

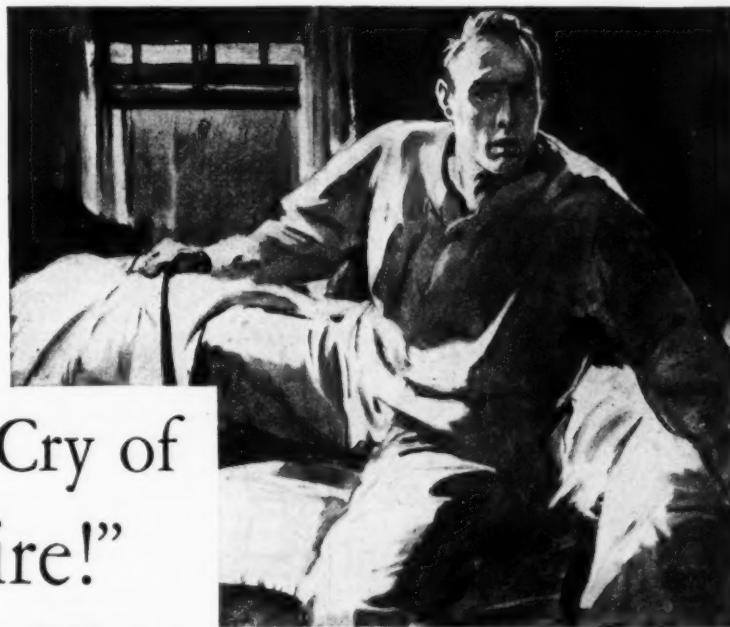
	1930	1931	
Net Premiums Written	\$2,399,441.72	\$2,558,861.20	Increase \$159,419.48
Assets	5,804,811.47	4,987,734.23	Decrease 817,077.24
Surplus	2,847,793.44	2,424,878.69	Decrease 422,914.75

Joseph Le Compte, President.

F. S. Danforth, Secretary.

A. A. Krueger, Assistant Secretary.

R. S. Danforth, Assistant Secretary.



The Cry of "Fire!" in the Night

★

YOU think of your children in the other rooms — they are in danger. Your house is insured, certainly, but property is a minor matter now.

You awaken your wife. Then you hasten to your children. As you open your bedroom door, a strong, acrid smell of smoke meets your nostrils.

Thoughts come with the speed of those of a drowning man. Will there be time? — How much headway has the fire already gained? Will your exit be cut off? — Has anyone called the fire department?

The next few minutes leave an impression upon your memory that time can never efface.

You save your family, but your home and practically all your belongings are destroyed.

Later you recall having left some oil-soaked rags in the cellar, after you repainted the porch floor. The fire chief tells you that such rags can cause spontaneous combustion.

Thus you come to realize, at a terrible cost, that the practice of fire prevention is not just a subject for cranks and "timid souls."

Of equal importance is the conservation of your financial investment in property by adequate fire insurance . . . with a strong, dependable company. Consult your Insurance Agent as you would your doctor or lawyer. A North America Agent is listed in Bell Classified Telephone Directories under the heading — Insurance Company of North America.



"The White Fireman in the Home" is a little book that the Insurance Company of North America will be glad to send you, gratis. By observing the precautions it gives, you may save yourself an experience like the one described. Address: North America, 1600 Arch St., Philadelphia.



The Oldest American Fire and Marine Insurance Company
Founded 1792

Insurance Company of North America

and its affiliated companies write practically every form of insurance except life

PHILADELPHIA

THE life-preserving factor in fire prevention is one of the strongest arguments for its practice.

Above is shown, in reduced size, a full page North America advertisement appearing in The Saturday Evening Post, February 27; The Literary Digest, February 20.



COVERAGE EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY
INLAND MARINE
OCEAN MARINE

FIRE NOT ONLY DESTROYS PROPERTY....
.... It often destroys surplus also

The damage which a fire does to a factory and its contents may be covered by ordinary fire insurance.

But there are other losses of considerable size which can only be paid for out of the company's surplus. These losses are frequently as large as and sometimes larger than the property damage loss.

The PATRIOTIC Agent is in a position to render directly to his clients an unusual variety of standard forms of protection.

His complete policy equipment means more kinds of insurance business for him and that in turn means a greater total business, with a greater volume of commissions earned.

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

Oswald Tregaskis, President

WESTERN DEPARTMENT
WRIGLEY BLDG.,
CHICAGO
JOHN F. STAFFORD
Manager

MARINE DEPARTMENT
11 SOUTH WILLIAM ST.
NEW YORK
WM. H. McGEE & CO.
General Agents

PACIFIC DEPARTMENT
SAN FRANCISCO
C. A. HENRY,
General Agent

Insurance Buyers Discuss Problems at Dayton Meet

FIRE COMPANY MEN ATTEND

Same Set of Questions Were Propounded as at Boston Session in December

The insurance section of the American Management Association conducted an insurance round table at Dayton, O., with L. H. Wiggers of the Procter & Gamble Company leading the discussion in which insurance buyers and representatives of a number of fire companies participated.

Discussion centered about 16 scheduled questions—the same set which served as a basis of discussion at a similar session in Boston in December and which was printed in the Dec. 10 edition of THE NATIONAL UNDERWRITER.

It was brought out in discussion that the best set-up for handling insurance depends to a great degree upon the size of the business. But in any event the general opinion was that the person who buys insurance should have the confidence of the management, knowledge of financial standing of companies, a thorough acquaintance with the activities of the business, that he should possess initiative and vision and be much interested in loss prevention.

Little Casualty Discussion

Practically the entire discussion had to do with fire insurance and there were no casualty company representatives present. Much was said about methods of protecting the interests of mortgagees.

The question as to whether it is better to distribute insurance among several insuring organizations or to concentrate brought out varying points of view. It was agreed that the fewer the companies and policies the better; that a good fire man may not be a good casualty man, and that it was best to throw the entire responsibility upon a few people although it was recognized that by dealing with a number it might be possible to learn from one what would not be learned from another.

It was agreed that a better selection (as to financial standing) could be made among companies that carried on a country-wide business since then they came under the supervision of many insurance commissioners, but that since New York is most rigid in its requirements of companies, admission in that state was highly desirable.

Coverages Are Graded

The last question, not on the program but which was suggested at the meeting was in regard to a method of determining which kinds of insurance should be carried in preference to others. Here the rule proposed in the Fire, Casualty & Surety Bulletins was accepted as logical, that the kinds of insurance needed the most are those which protect against large possible loss. It was agreed to have this subject on the agenda for the next meeting which will be held in May in New York City.

The chairman made it plain that the presence of insurance men was most welcome at these conferences and they were invited to take part in the discussion most freely. This invitation was accepted. It is most complimentary to insurance companies that important buyers of insurance had not one word of criticism for them.

WANTED

To purchase Chicago Agency yearly commission approximately \$5,000 to \$10,000. Address U-90, The National Underwriter.

Heads F. U. A. P.



JOHN H. MARTIN

John H. Martin, elected president of the Fire Underwriters Association of the Pacific in its annual meeting in San Francisco this week, started in the business in San Francisco in 1907 in the Royal's Pacific Coast department under the late Rolla V. Watt. He was in the field as a special agent for several years and later in the San Francisco offices as an executive. He remained there until 1926 when he joined John P. Breeden, manager of the National Liberty, as agency superintendent. He is now assistant general agent of the Home of New York and affiliated companies in San Francisco.

He has always been particularly active in the affairs of the Fire Underwriters Association, serving in practically every capacity and acting as secretary for a number of years. Since 1914 Mr. Martin has served on the educational committee of the association, which has charge of the lecture courses conducted for associate members, and for several terms as chairman of that committee. He is one of the best known insurance executives in San Francisco.

Field Men Name Committees to Handle Claim Situation

NEW YORK, Feb. 3.—In keeping with the program of the Fire Companies' Adjustment Bureau to secure the co-operation of field men in dealing with claims arising in their respective jurisdictions, the Fire Insurance Field Club of Virginia has named as its representatives G. A. Banta, New York Underwriters, (chairman); L. E. English, general agent, and H. C. Taylor, Home, with M. F. Jones, American of Newark, field club president, member ex-officio.

As its representatives on the state loss committee the Tennessee Fire Underwriters Association has designated N. V. Berry, Aetna (chairman); H. P. North, Springfield Fire & Marine; J. C. Schmitt, Home, and H. A. Amonette, St. Paul Fire & Marine.

St. Paul Official Changes

ST. PAUL, Feb. 3.—A. E. Krebs, for many years treasurer and auditor of the St. Paul Fire & Marine, has been retired on pension and Oscar J. Kruger has been named treasurer.

Mr. Krebs joined the St. Paul in 1899 and was made auditor in 1911. Mr. Kruger has been with the company since 1910 and in recent years has been assistant treasurer.

The directors adopted a resolution praising the painstaking work of Mr. Krebs, with special reference to the excellent training he has given many of the younger auditors.

WESTERN
AND
SOUTHERN
GROUP

THE
**WESTERN AND SOUTHERN
INDEMNITY COMPANY**

Policyholders Surplus - - - \$1,425,184.17
All Securities Valued at Market December 31, 1931

THE
**WESTERN AND SOUTHERN
FIRE INSURANCE COMPANY**

Policyholders Surplus - - - \$470,875.53
All Securities Valued at Market December 31, 1931

CHARLES F. WILLIAMS,
President
CINCINNATI, OHIO

Address—William C. Safford, General Manager

AMERICAN INDEMNITY COMPANY GALVESTON

J. F. Seinsheimer, President

COMPLETE AUTOMOBILE PROTECTION FIDELITY AND SURETY BONDS

Desirable
general agency
contracts
available in
unallotted territory



Whatever any
other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

FIRE
WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN INDEMNITY COMPANY GALVESTON

Orlob Criticizes Single Interest Auto Coverages

BRINGS ADVERSE SELECTION

F. U. A. P. Speaker Urges Tariff Based on Outstanding Balance, Experience Rating, Coinsurance

The present method of handling single interest coverages for automobile finance companies was severely criticized by Richard Orlob, state agent for the Atlas at Los Angeles, in his talk before the annual meeting of the Fire Underwriters Association of the Pacific.

Mr. Orlob treated the subject profoundly, explaining method of operations of finance companies and describing the various coverages, including fire, theft, vendor's single interest collision, embezzlement and confiscation.

"If it was the intention of insurance carriers seriously to enter the field of credit insurance and keep pace with automobile finance," Mr. Orlob declared, "it must be admitted that they haven't done so well. On the other hand, there are those who contend that fire companies have no place in the credit insurance business and that the single interest coverages are a cross between credit insurance and surety bonds. If the fire companies are to acknowledge responsibility for this hybrid insurance and continue to support it, the present is none too soon to place it on a solid, dignified and less unprofitable basis."

Bad Habits of Dealers

The fundamental trouble with the business today is that it places a premium on ill advised sales by dealers. Premium volume is worshipped and there is an adverse selection against the carrier.

Mr. Orlob suggested that insurance companies scrap the present methods of handling single interest coverages and substitute the assumption of those hazards by applying a rate to the total outstanding balance reported monthly. The coverage, he said, should be clearly set forth, definitely excluding what the companies do not wish to cover and equally clearly setting forth what they do cover, with complicated formulas and technicalities absent.

Then, each finance company should be rated annually on an experience basis on the single interest coverages only. This would place a premium on good experience. If the finance company creates a favorable loss ratio, it can reduce its financing charges and place itself in a preferred competitive position.

Makes an Admission

Mr. Orlob admitted that there is the feeling among finance companies that since they get a commission on premiums, the higher the premium the better.

The finance company should become a co-insurer to a small degree, he said. The finance company itself should come out whole on any total loss, he said, for it will look to the dealer for the deficit, who in turn will have to safeguard himself by extra care in extending credit. In establishing the coinsurance feature, he said, the carriers might permit down payments on contracts covering new cars for as low as 25 percent.

The present methods are unjust, he said, and contrary to public policy in that an artificial credit standing is created for people who cannot afford to buy what their falsely created credit permits them to do. It should be made profitable for the finance companies to decline poor risks and poor dealers.

Secretary Bennett to Speak

Secretary W. H. Bennett of the National Association of Insurance Agents is to address members of the Toledo (O.) Board, Feb. 15, and the Springfield (Mass.) Board Feb. 24.

West Virginia Leader Washington Descendant



W. F. ALEXANDER

The Chicago "Daily News" in a special article in connection with the George Washington bi-centennial celebration, printed an extensive interview with W. F. Alexander, who is a local agent of Charles Town, W. Va., and is a past president of the West Virginia Association of Insurance Agents. Mr. Alexander is a direct descendant of John Augustine Washington, a brother of George Washington.

"You know," Mr. Alexander was quoted as saying, "that the General was much interested in land, real estate, as we put it today—and he would doubtless be known as a real estate man if he were living at this time. He constantly invested in land, he bought land in this section, he built houses for his brothers, he believed in land, he was a great visitor and roamed constantly over and through this territory." Mr. Alexander also told the "Daily News" representative that he is a possessor of an old sword that is said to have belonged to Benedict Arnold.

War Risk Rates Are Quoted

Premiums Fluctuate Rapidly as Sino-Japanese Situation Becomes More Serious

Warlike conditions in China have resulted in higher maritime insurance rates. All commodities exported to Chinese ports are affected. Rates will be hiked even higher should actual war be declared, especially on such commodities as cotton and naval stores, regarded as contraband in event of war. Rates to Shanghai have been increased from 5 to 50 cents on \$100 valuation, the coverage being extended only to ocean risk. Other Chinese ports have only slight increase in rates thus far. Ocean freight rates have not been advanced.

Quotations for war risk insurance on vessels and merchandise bound to Shanghai, China, and on stocks of merchandise in warehouses in that city, are changing almost hourly as the situation becomes more acute there. The latest quotation on cargo this week was one-half percent for an endorsement covering on the voyage and for 15 days after arrival at Shanghai. This rate is doubled if the time limit is removed. The protection afforded is the regular war risk coverage and cover against strikes, riots, civil commotion, etc., at Shanghai.

For merchandise stocks in warehouse the American market for 30 days is 3 percent. The English or Lloyds market, according to present reports, is 2

Officials Only Academically Interested in Chinese War

POLICY HAS WAR EXCLUSION

Only U. S. Companies Concerned Are Those in American & Foreign Insurance Association

NEW YORK, Feb. 3.—Though they are interested generally in the war situation in the far east, fire company officials have no special concern over the present clash between Chinese and Japanese troops in and about Shanghai and Nanking. Policies covering risks in the territory all contain the war exemption clause.

It is estimated that from 80 to 90 percent of the fire insurance covering upon property in the treaty ports of China is carried in British companies, a great number of which have been represented in the country for many years and have established agency connections there.

Some in Chinese Carriers

Such other insurance as is written is in the several home companies of China, a scattering few from various continental Europe countries, and in American corporations operating through the American & Foreign Association or the Anglo-American Underwriters Agency, both of which organizations have their chief offices in this city; each maintaining a branch at Shanghai.

In the different treaty ports large warehouses are found in which goods running into high values are stored. Rates on contents in these properties are so low that an underwriting profit upon the class is out of the question; such money as has been made being derived from the better type of Chinese-owned properties.

Financial Exchange a Factor

A feature in connection with insurance operations in China and one that must be closely followed in order to make any real money, is that of the financial exchange. Values fluctuate frequently and oftentimes violently, and knowledge of when to leave or to call for premium funds and to act promptly upon the information in large part determines whether a company scores a profit or incurs a loss upon its Chinese business.

Farm Managing Committee

W. N. Achenbach, western manager for the Aetna, who was recently elected president of the Farm Underwriters Association, has appointed his farm managing committee, consisting of I. D. Goss, farm manager of the America Fore companies; G. H. Bell, western manager, National of Hartford; Lesch & Cornell, farm managers, Home of New York; W. T. Avey, farm superintendent North America; C. S. Vance, president, Iowa National Fire; W. H. Lininger, western manager Springfield; A. G. Dugan, western general agent, Hartford; Robe Bird, western manager, American of Newark, and J. W. Gregory, assistant western manager United States Fire.

percent. This latter quotation was that of Monday, but it is understood that it is fluctuating rapidly.

As yet very little demand has sprung up, at least west of New York, for the war risk endorsement on cargo. However, an Associated Press news dispatch is to the effect that the American-Hawaiian Steamship Company has taken out war risk insurance on two of its vessels, the "Golden River" and "Golden Horn," plying between San Francisco and the Orient. The company's officials stated they were not especially alarmed but took the step as a protection against any possible loss or damage which might be caused by stray bombs, shells or bullets.

Would Suspend Agents Who Are Delinquent in Payment

MOUNTAIN FIELD CLUB ACTS

Strong Rules Recommended to Supervisory Committee—Immediate Adoption Sought

DENVER, Feb. 3.—The Mountain Field Club after spirited debate Monday adopted resolutions regarding rules as to delinquent agents, credits and accounts recommended for adoption by the supervisory committee as a company measure. Suspension of a delinquent agent for one year, during which he would be ineligible to represent any member company of the Rocky Mountain Fire Underwriters Association is proposed. It is in spirit a company measure, and it is said to be patterned after the delinquent agent rule in force on the Pacific Coast for a quarter century.

Ever since the January meeting of the field club when the subject was considered and a committee appointed to thresh out the subject and present a new rule, informal debate has continued in every insurance office in the city, and there has been talk of wholesale resignations in the event of adoption of the rule. Nevertheless the proposed rule adopted by the field club has received enthusiastic endorsement, both in local, state and general agency circles.

Justice Seen in Rule

The new rule, if adopted by the supervisory committee, really would operate in justice to the great majority of local agents who pay premiums promptly, according to Frederic Williams, secretary of the underwriters association, who declared less than 10 percent of agents in the mountain field are delinquents. "If these are required to pay promptly under penalty of suspension," he said, "a discrimination against the prompt agents will be removed."

Under the proposed rule, every member must report to the underwriters association the name of every delinquent agent. Notice would be given all companies and suspension notices mailed the agent.

The subject will be taken up with members of the supervisory committee at once with a view to final action by them at an early date, according to A. J. Lehwaldt, president Mountain Field Club.

Other sections recommended by the club are: "An agent rendered ineligible under this rule to represent association companies may be reinstated by a two-

Late Coast News

SAN FRANCISCO, Feb. 3.—With 292 companies reporting total San Francisco fire premiums of \$4,509,537.48 for 1931, according to report of the Underwriters Fire Patrol, a decrease of \$782,275 is shown compared with 1930 when 301 companies reported \$5,291,812. Figures for the last six months totalling \$2,058,859 show a decrease of \$318,218.

The Firemen's of Newark leads with total of \$172,665 for the year and \$87,132 for the last six months' period. The Home of New York is in second place with \$165,404 for the year and \$72,421 for the last six months. The Liverpool & London & Globe is third with \$152,577 and fourth for the six months with \$68,134. The Fireman's Fund is fourth for the year with \$150,461, and third for the six months' with \$69,170.

Companies writing San Francisco premiums in excess of \$100,000 for this year are:

	1931	1930
Firemen's of Newark	\$172,665	\$119,376
Home of N. Y.	165,404	184,803
L. & L. & Globe	152,577	174,333
Fireman's Fund	150,461	158,515
Aetna	142,938	156,939
U. S. Fire	112,950	150,659
Ins. Co. of No. Amer.	106,823	94,719

* * *

I. N. Trimble, Jr., formerly chief examiner and surveyor with the Arizona Equitable Rating Bureau, for the past eight years, has been appointed special agent in Arizona for the National Union. Mr. Trimble, who was a local agent for several years prior to becoming associated with the rating bureau, will make his headquarters at Phoenix.

* * *

The Pacific National Fire of San Francisco is being examined by the insurance departments of California, Colorado and Texas.

thirds vote of the supervisory committee on the signed request of not less than three-fourths of the members represented in the agency at the time of the suspension, and provided that all delinquent premiums shall have been paid to all member companies represented in the agency at the time of the suspension.

"In event an agent shall have been suspended more than once during the previous 12 months, request for reinstatement shall not be approved by the supervisory committee unless the request therefore shall have been signed by all members represented in the agency at the time of the suspension.

"No member shall appoint as agent any relative or employee of an agent who has been suspended under this rule, except with the permission of the supervisory committee."

Fire Premiums in 1931 by Lines

World F. & M.

	Prem.	Losses
Fire	\$ 956,760	\$ 590,866
Motor	101,144	81,263
Earthquake	1,713	—
Inland Marine	94,646	51,596
Wind	53,803	5,185
Hail	43,411	16,609
Sprinkler	2,916	1,763
Riot & Explosion	4,964	1,264
Aircraft	1,747	—
Rain	6,914	4,320

* * *

Aetna

	Prem.	Losses
Fire	\$14,890,063	\$ 9,887,723
Ocean Marine	—	—
Motor	2,310,421	1,035,522
Earthquake	29,327	—
Inland Marine	1,620,219	895,141
Windstorm	1,144,927	301,582
Hail	233,680	71,199
Sprinkler	39,315	11,556
Riot & Explosion	87,402	5,142
Aircraft	31,859	25,462
Rain	16,795	11,610

* * *

Baltimore Natl.

	Prem.	Losses
Fire	\$ 3,476	\$ 1,134
Motor	5,492	2,216
Windstorm	294	123
Other Lines	7,204	3,187

Piedmont Fire

	Prem.	Losses
Fire	\$ 153,743	\$ 153,278
Motor	2,048	318
Inland Marine	810	643
Windstorm	1,310	—
Hail	1,760	49
Sprinkler	—	—
Rain	351	356

* * *

Pennsylvania Indem. Fire Corp.

	Prem.	Losses
Motor	\$ 337,865	\$ 52,208
Other Lines	205	—

* * *

Prudential Fire

	Prem.	Losses
Fire	\$ 52,625	\$ 18,802
Motor	3,715	1,620
Earthquake	416	9
Windstorm	10,785	1,245
Sprinkler	36	63
Riot & Explosion	829	6
Aircraft	—	—
Personal Effects	977	187

* * *

Equitable Fire

	Prem.	Losses
Fire	\$ 170,758	\$ 104,133
Earthquake	213	—
Windstorm	3,436	158
Sprinkler	177	21
Riot & Explosion	119	—

The Saturday Evening Post

He lists a 10-cent scrub brush in his Insurance inventory..

When his insurance agent explained the importance of a Household Inventory, this business executive checked the Inventory personally to make certain that it included every single thing his home contains—from a Sevres vase to a 10-cent scrub brush.

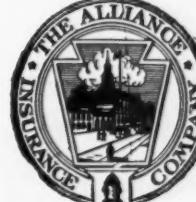
Now he knows exactly how much Residence Contents Insurance he should carry. He also is in a position to supply his insurance company immediately with the information needed for loss adjustments.

Do you know the value of your household possessions? Any Alliance Agent will be glad to assist you and to furnish a free Inventory Booklet.

Ask your
ALLIANCE
Agent

and telephone directory under "ALLIANCE"
write us for his name.

Sample of the Alliance Household Inventory Booklet, as advertised in the February 20th Saturday Evening Post, will be sent to any interested insurance man.



Head Office: 1600 Arch Street, Philadelphia
CHICAGO
209 W. Jackson Blvd.
SAN FRANCISCO
231 Sansome Street

Sound Sense for Insurance Producers

from "The American Agency Bulletin"
(Organ of)

The National Association of Insurance Agents:

"Carefully select the companies you represent.

"Take no chances on a company whose management is open to question or whose underwriting policies are subject to suspicion.

"Do not let the immediate monetary gain of an excess commission or a cut rate that will hold a single line blind you to the inevitable consequences of unsound underwriting."



High Record Set at F. U. A. P. Meet

(CONTINUED FROM PAGE 3)

business administration Stanford University, as principal speaker.

The slate of candidates as previously announced was unanimously elected. John H. Martin, assistant general agent Home of New York, is president; David A. McKinley, special agent for the Royal at Seattle, is vice-president, and Mr. Mariner secretary.

The executive committee consists of Mr. Speer, Mr. Martin, W. H. Gibbons, Edward Brown & Sons; G. E. Townsend, Fireman's Fund, and Mr. Lawry of the Travelers Fire.

Roy A. Redfield's Paper

Roy A. Redfield, well known Spokane attorney, presented a paper on subrogation in which he reviewed many court opinions and suggested that loss settlements be deferred until the loss is finally ascertained in its diminished amount by the prosecution of all legal remedies in the name of the assured, the insurance company not appearing in the litigation.

The factor, he said, that might very well overcome public resistance to such a plan could perhaps be found in rates. It seems probable, he declared, that the cost of carrying such risks would be so far reduced that an exceedingly attractive rate would be possible.

"The device of a suspended judgment seizes every possible advantage; it strikes while the iron is hot, and realizes for the insurer every possible reduction before the loss is finally accepted," Mr. Redfield asserted.

In his discussion of "The California Standard Policy," Rolla B. Watt, insurance expert in the law firm of Thornton & Watt, analyzed each provision of the policy in detail and cited various illustrative decisions. He said he plans to produce a "California standard form annotated."

Talk of R. R. Robertson

The relation today between companies, agents and public was described by R. R. Robertson, superintendent of agents for the London & Lancashire at San Francisco, as being that of "antagonistic cooperation." There are mutual follies and weaknesses, he said.

High pressure drives for volume of business resulting in underwriting judgment being replaced by expediency, is the fundamental weakness, he declared. Agents take advantage of the reluctance of the companies to offend and force upon the insurer accommodation lines and demand balance concessions.

Special agents are greatly to blame for the attitude of the local agents, he said. The field men inspire agents to adopt the "ask and ye shall receive" attitude. Loose credit practices areabetted by a lack of firmness on the part of companies in collections, he said. So long as agency appointments are based on competitive desire to create volume without proper regard for credit standing and financial stability, the collection problem is likely to endure, he declared.

Mr. Robertson said he favors bonding agencies, but declared that the system would be impracticable because of the competitive situation.

Public Claim Conscious

Many insureds, Mr. Robertson said, are learning how to make or prosecute unjust or excessive claims. Companies are to some degree culpable for having encouraged the sale of more insurance to value.

Adequate and stringent agents' qualification laws, he said, should be enforced by the companies for their own protection, rather than having such regulations emanate from commissioners to protect the companies from themselves.

Companies, he said, could do much towards removing the notion that the insurance business is mysterious, vague

and secretive in its dealings by educational advertising.

Unless the level of insurance to value is reduced to comport with present day conditions, Mr. Robertson said that rates must be increased and that causes sales resistance.

Blake Darling, assistant superintendent of underwriting for the Travelers at San Francisco, expressed the belief, in his address, that a deductible clause will soon be proposed for all-risk personal effects floaters. The present high rate of 3 percent for this form, he said, offers an opportunity to grant a large enough credit to be attractive to the buyer.

A credit for deductible clause would not be much of an inducement, however, he said, to a buyer of insurance on dwellings and furniture. Nevertheless, a 5 or 10 percent credit in rate for \$25 deductible might have some sale.

Smoking-Matches Hazard

In 1918, Mr. Darling observed, losses from the smoking-matches hazard constituted 5.8 percent of the total—in 1927, 7.8 percent; in 1929, 7.6 percent. Small losses to rugs, davenport, tables, tablecloths, clothing, etc., he pointed out, entail trouble and expense in adjustment. Several trips by the adjuster or special agent are often required; there are duplicate estimates of repairs and lengthy negotiations, the result of which is not always pleasing to the policyholder. On the other hand, he pointed out, a \$10,000 or \$15,000 loss with no complications, values in excess of insurance, no issue as to property title, no violations of policy conditions or question as to origin, may be adjusted in a few minutes.

The small loss problem must be tackled, he said. He suggested that a deductible policy for theaters, hotels and large apartment houses could be granted with an attractive credit.

Although small losses have been mounting, Mr. Darling said that dwelling business is still profitable. An increase in rate or a restriction in coverage is not now justifiable, therefore, he said, and any move in those directions would result in loss of business to competitors. The time may come when such steps may become highly necessary.

Frank S. Glover, special agent for the National of Hartford at Portland, delivered an inspirational address, concluding with the message: "Carry cheerfulness, courage and the best there is in you to every corner of your field. Fight hard but fight clean for all the constructive service that our business affords in the nation's fabric of business. If we all carry on with such weapons, I am sure that it can be said of each and every one of us, when we, one by one, lay down our obligations, 'He was a man and a builder among us.'"

McKinley and Speer Comment

Mr. McKinley, in his address, dwelt on conditions arising from competition between standard and non-standard companies and by contempt for agreements and covenants on the part of some members of company organizations.

President Speer said that competition of "small, irresponsible companies" is disturbing. Loose practices of the big companies are not now so prevalent, he said. Mr. McKinley expressed the belief that London Lloyds will make a greater drive for direct business in countries on the gold basis in order to get a greater spread. He contrasted the traditional policy of Lloyds in bringing home the premium in pounds with that of the chartered British companies, which maintain their deposits in gold. The wisdom of the latter course is now proved, he said.

J. R. Hull in New Post

J. R. Hull, well known in the Indiana field, who formerly traveled for the Liverpool & London & Globe, has been appointed Indiana state agent for the Union of Indiana.

Mississippi Requires Dec. 31 Figures, Three Others Act

CALIFORNIA ALLOWS OPTION

Kansas and Louisiana Departments Will Accept June 30 Valuations for Securities

JACKSON, MISS., Feb. 3.—Commissioner Riley has ruled use of average values in reports to the Mississippi department cannot be permitted.

Citing the Mississippi law prescribing that "the business standing and financial condition of the company on the preceding 31st day of December" he reported, Mr. Riley explained he would have no discretion in the matter governing the reports which are due March 1.

"In view of business conditions generally throughout the country," his ruling read, "I think that good judgment demands that we deal with these matters with just as much leniency as possible, but, from the law as written, I think it is obvious that the mandate of the statute and legislative intent is to fix arbitrarily the date of Dec. 31 for determining the financial condition."

CALIFORNIA RULING

SAN FRANCISCO, Feb. 3.—The California department has announced it will accept statements containing valuation of securities as of Dec. 31, or either market value established Dec. 31 or June 30, 1931 with the option of scheduling bond investments not in default on a properly amortized basis. If other than Dec. 31 market values are used the statement must clearly set forth the reporting basis and cash market values of Dec. 31 on a special auxiliary schedule. In order to afford all companies, especially those domiciled in California, a clear conception of basis of valuation of securities acceptable to various states, Commissioner Mitchell has communicated with all other commissioners, receiving advice of agreement on requirements from 33 states and the District of Columbia. Five states report they will accept the convention agreement valuations exclusively and two will accept Dec. 31 market values exclusively.

AVERAGE VALUES IN KANSAS

TOPEKA, KAN., Feb. 3.—Commissioner Hobbs has announced that he would accept the valuation of stocks and bonds held by the companies as of June 30, 1931, for all purchased prior to that date. For securities purchased since that date he will accept either the purchase price or the market value as of Dec. 31.

Louisiana has decided to accept June 30 values in reports of companies licensed in that state.

Importers & Exporters Deal

Fire Business Will Be Handled by Corroon & Reynolds—Automobile Line Conducted Independently

NEW YORK, Feb. 3.—Under an arrangement virtually concluded some days ago and effective Feb. 1, the management of the fire business of the Importers & Exporters of this city, passed to Corroon & Reynolds, the company restricting the direct handling of future business to the automobile line. The entire office and field staff of the fire branch of the Importers & Exporters has been taken over by Corroon & Reynolds and merged with their forces. Such employees as are in the automobile division will continue at the present headquarters here.

In notifying field men of the Importers & Exporters of the change President A. Valensi, said in part:

"After a thorough study of business conditions as they exist today, we are convinced that the outlook for the fire branch of the business for companies such as our own, operating on a single company basis, is not very bright in view of the heavy expense ratio."

Corroon & Reynolds have the American Equitable, the New York Fire, the Knickerbocker, Globe & Republic and Merchants & Manufacturers Fire.

In his letter to agents Mr. Valensi says: "To achieve the best results for both the company and its agents in the automobile insurance field, we are convinced that it demands specializing. The head office and its organization will now

concentrate in this field and becomes an automobile writing company."

Preliminary figure of the Importers & Exporters indicate that its net surplus on Dec. 31 last was greater than a year ago. Formed in 1918 the company is entered in most states. Its premiums in 1930 were \$1,237,567. It is not a member of either the Eastern or the Western Underwriters Association nor is it allied with the National Automobile Underwriters Association.

reinsurance reserve \$5,015,398, loss reserve \$760,234, reserve for security values \$2,312,033, capital \$2,000,000, net surplus \$2,658,178, based on Dec. 31 market value of securities.

Premium income in 1931 was \$5,008,568, or but 3.06 percent less than that of previous year. The underwriting profit was \$4,023.

At the silver jubilee banquet of the Ohio Blue Goose, Grand Wielder of the Goose Quill Hellwell of Milwaukee paid a notable tribute to Wielder B. F. Flood of the Ohio pond. Mr. Flood is connected with the Ohio Inspection Bureau. He has proved notably efficient.

Camden Fire Statement

The annual statement of the Camden Fire shows total assets of \$13,007,413,

A. D. T. . . you're an insurance man, too!

.....A.D.T. salesmen and insurance men both sell protection. One protects the property electrically, the other protects the owners financially. Both influence economies...both render a constructive service.

Insurance men, with the aid of A.D.T. Central Station Watchman and Sprinkler Supervisory Services, can reduce the fire hazards of their clients' property...and, incidentally, in many cases, their clients' operating costs. These services are being strategically used to secure new business, as well as keep old business secure. A.D.T. men will help you work out practical, money-saving suggestions for your policyholders.



Send for our new booklet, "Spying on the Sprinkler"—it tells in five minutes the things you should know about sprinkler supervision. Write now!



WATCHMAN and SPRINKLER SUPERVISORY SERVICES

CONTROLLED COMPANIES OF

• AMERICAN DISTRICT •
TELEGRAPH COMPANY
155 SIXTH AVENUE - NEW YORK N.Y.

AS SEEN FROM CHICAGO

RECOGNITION OF FINE MEN

The announcement of promotions in the western department of the Hartford Fire group carries with it recognition of six men who have been connected with the office for many years and who have rendered highly efficient service. W. C. Boorn, Clem E. Wheeler and C. H. Smith, who are now given the title of associate general agents, each having charge of a specific territory, are veterans in the underwriting field. Mr. Boorn went with the Hartford as an examiner some 30 years ago and has been assistant manager since 1903. Mr. Smith was formerly at the head office in Hartford and went to Chicago in 1923 as head of the improved risk department. Mr. Wheeler was formerly manager of the Tennessee Inspection Bureau and was brought to the western department to head the service bureau. He and Mr. Smith became assistant managers about the same time.

L. G. Warder, M. S. Davidson and J. T. Leavitt became assistant general

agents. Mr. Davidson is superintendent of Detroit and Wayne county, Mich., and Chicago and Cook county, Illinois. He also is used in executive work in some of the other large cities. He has been with the department for some 25 years. Mr. Warder is head of the farm and hail department. He went with the Hartford in 1914 and was in the Kansas field. He came into the Hartford service when it undertook crop insurance and later had charge of the hail department. When Wallace Rogers resigned to go in the advertising business the entire farm and hail work was combined under Mr. Warder. Mr. Leavitt was formerly at the head office of the Citizens of St. Louis when its home office was there and was general inspector. When the western department of the Citizens was located in Chicago in 1911, Mr. Leavitt accompanied the force and is now superintendent of the special hazard department.

There will be no change in duties but the work will be more closely united. All the men involved are competent and

typical of the talent that makes the Hartford great.

SPECIAL CARS TO SPRINGFIELD

R. I. Read, Chicago manager of Crum & Forster and chairman of the good fellowship committee of the Chicago Board, has sent out to board members a notice of the special meeting to be held at Springfield, Ill., Feb. 11-12 at which time the new Illinois agents' qualification law to go into effect March 1 will be discussed. A large group of Chicago insurance men will attend and it is expected that two or three special cars will be reserved for the use of the Chicago contingent, most of whom will probably leave on the 4 p. m. Illinois Central train Feb. 11.

* * *

LABORATORIES ANNUAL MEETING

All officers headed by Dana Pierce, president, and A. G. Dugan, chairman of the board, were re-elected at the annual meeting of the Underwriters Laboratories in Chicago. Mr. Dugan is western general agent for the Hartford. Vice-president is A. R. Small; secretary, T. B. Anderson; treasurer, L. H. Headen.

Twelve of the 15 members of the board were present. They were: Wil-

fred Kurth, president of the Home; R. B. Ives, president Aetna; John Kremer, vice-president North America; W. E. Mallalieu, general manager National Board; W. D. Williams, vice-president Security of New Haven; C. R. Tuttle, western manager North America; C. E. Dox, western manager London & Lancashire; J. C. Harding, western manager Springfield; C. R. Street, vice-president Great American, and Mr. Dugan.

* * *

SOLICITORS' LICENSE QUESTION

Many agents are interested and some are concerned about the endorsement required of the agents for applicants for agents' solicitors' licenses in Illinois under the new qualification law. The endorsement reads: "The undersigned hereby certifies that he will be responsible for the acts of the above named solicitor in the same manner and to the same extent as though the act were his own and that applicant is a full time employee of this office."

Some agents feel that signing this endorsement would expose them to much possible trouble. For instance, one agent relates that a solicitor recently gave a rather noncommittal "Yes" when a prospect said: "Well, I guess I'll give the business to your company, probably this other company will be out of business in a year." The other company heard of the incident and complained vigorously to the agent, for whom the solicitor was working. The agent, under the qualification law, would be responsible for any action of this kind on the part of the solicitor.

* * *

FORBES IN HOSPITAL

C. R. Forbes, marine and auto adjuster on the Chicago staff of the Western Adjustment, underwent a painful operation in Evanston, from which he is recovering successfully. Mr. Forbes was injured in France while serving in the army, having both jaw bones broken and four teeth injured. Recently, an x-ray revealed that the teeth were infected and it was necessary to remove them and part of the jaw bone.

* * *

TUTTLE ON WEST COAST

C. R. Tuttle of Chicago, western general manager of the North America, has gone to Los Angeles to spend the rest of the winter.

* * *

G. A. LLOYD JOINS ODELL

Carl L. Odell, manager of the Allstate of Chicago, has formed an association with G. A. Lloyd under the title of Odell-Lloyd to handle brokerages business. Mr. Odell, formerly a broker, is now devoting most of his time to the Allstate. Mr. Lloyd had several years experience with the Chicago Board and more recently has been a broker in the office of Moore, Case, Lyman & Hubbard.

* * *

SUN FIELD MEN GATHER

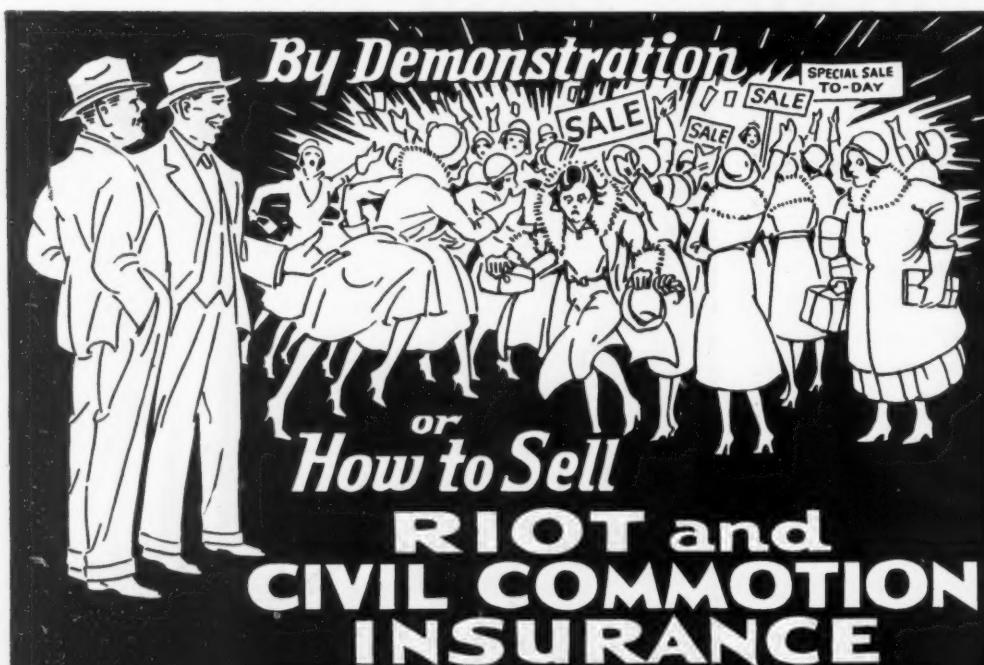
Field men in the western department of the Sun gathered in Chicago for a conference with Manager J. F. Stafford and other executives. Instead of holding general meetings, the field men had individual conferences with department managers.

* * *

ANNUAL MEETING IS HELD

All officers, headed by P. B. Hosmer, were elected as scheduled, at the annual meeting of the Chicago Board. Vice-president is L. E. Yager and treasurer W. C. Oxnam.

Three new amendments were adopted. The executive committee is hereafter to be known as the board of directors. Changes were made to comport with the new agents and brokers qualification laws, stipulating that no member of the board shall do business with unlicensed agents or brokers. Another amendment provides that a person applying to succeed a deceased member or member who has resigned, is exempt from payment of the \$2,000 entrance fee if he has been connected with the agency with which the deceased or resigning member was affiliated for at



An object lesson on the need for Riot and Civil Commotion Insurance? Easy! Find where they have 'em reduced to a dollar ninety-eight. Take your prospect there to see the destructive force of a milling mob. Then translate that picture for him into a maddened, malicious throng. You'll put your story across. But, of course, if *that* doesn't work, then you will have to use the Selling Broadside on the coverage being published by the "Springfield Group." It will help you *read the riot act* with profitable results. Interested? Then write for the copy we have for you.

THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE O. BULKEY, President

Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findlay, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



Specify Stock Fire Insurance

least two years, and if the heirs waive their rights to successorship.

President Hosmer complimented the various committee members who had done effective work and said that the outstanding accomplishments of the year were the creation of the World's Fair Underwriting Association and the passage of the brokers and agents qualification laws.

Memorials were adopted for the late G. B. Davidson, B. C. Miller, W. S. Herrick, R. H. Hunter, C. R. McCabe, J. S. Roberts and H. C. Wayne.

W. E. Witherbee, formerly of Wetmore & Witherbee, was made an honorary member. He is a past president of the board. He has been ill for about a year.

* * * WARNING PRECEDED FIRE

The Chicago Board takes satisfaction in the fact that in November it published a so-called red flag report and raised to \$3.08 the rate on the Arcadia Farms Milling Company mill on Goose Island in Chicago, which was destroyed by fire last week. This was the old Atlantic elevator, which was built in 1885 and rebuilt in 1894. The warning of the Chicago Board was based on sprinkler equipment and hazards. Insurance on the mill amounted to \$50,000.

* * * WEYFORTH WITH DAVIS

B. S. Weyforth, former vice-president Managing Underwriters Corporation of Detroit, with which he has been connected since its organization, has become affiliated with the independent adjusting firm operated by C. F. Davis in Chicago. Both men are well known adjusters in the south and middle west. The office handles all classes of fire and casualty claims, specializing in automobile. It is located at 330 South Wells street and will move to larger quarters in that building within the month.

* * *

George R. Roberts, head of George W. Roberts & Son, agents in the Insurance Exchange, Chicago, suffered the loss of his wife this week from a rare disease. She was ill only a week.

* * *

Frank McAuliffe, superintendent of the Chicago fire insurance patrols, was in Dubuque, Ia., last week, the guest of Sol F. Weiser of the Dubuque Fire & Marine.

* * *

R. H. Johnson, former Duluth local agent, is now located in Chicago, being vice-president and manager of the Transportation Underwriters Agency in the Board of Trade building.

As Seen from NEW YORK

MARINE UNDERWRITERS ELECT

All officers of the Board of Underwriters of New York, the marine organization, headed by W. H. McGee, were reelected at the annual meeting. The president is W. W. Parsons; secretary, J. E. Hoffman and treasurer, H. T. Chester. Chairman of the membership committee is H. Bird; correspondents, H. E. Reed; salvages, Albert Ullmann; averages and arbitration, J. S. Gilbertson; adjustment, W. A. Cale; loading of vessels, W. D. Winter; inventions, H. W. Beebe, and commissioners of pilots, W. W. Parsons.

* * * ARE WRITING FLOATER POLICIES

Officers report that more agents are writing small floaters than before, evidently digging out new business. This involves the all-risk variety covering jewelry, furs, musical instruments, radium, pictures, etc. There is undoubtedly considerable undeveloped business of this type. An executive said the other day that it was surprising how few people carried personal effects floaters, even those who travel much and have wearing apparel or other articles out of their houses most of the time. Many agents keep in touch with musicians who have valuable instru-

ments and insure them. Other agents are digging up customers where they have goods in custody. This includes such industries as laundries, cleaners, dyers, tailors, rug and carpet cleaners, etc. There are many persons or concerns doing work of this kind who probably are going along and assuming their own risk.

* * * NEW AGENCY INAUGURATED

The American Fiduciary Agency, said to be the first publicly financed general agency and brokerage business in this country has been organized here. Stock is being sold countrywide, as it is intended that it shall be held in small lots and that the officers and directors shall never own more than a small minority.

The charter permits it to handle all forms of insurance. The intention is to buy or organize a life company. The charter also allows the acquisition and handling of all other kinds of insurance business—fire, marine, liability, automobile, etc., including any new lines that may develop in a general agency and brokerage capacity.

W. C. Redfield, Secretary of Commerce in President Wilson's cabinet, is chairman of the board. George T. Wilson, formerly vice-president of the Equitable Life of New York, is president

and J. A. H. Hopkins, formerly vice-president of Johnson & Higgins, is vice-president. Mrs. Agatha O. Stewart is secretary.

* * * JUNKER ELECTED DIRECTOR

Harold Junker, who has been connected with the Crum & Forster organization for 30 years, has been elected a director of Crum & Forster, Inc.

* * * T. P. EMIGH DIES

T. P. Emigh, who was general agent of the United States branch of the Royal Exchange, died suddenly at his home in Rutherford, N. J., at the age of 53. He joined the Royal Exchange in 1918, being put in charge of New England and New York suburban. Previously he had been in San Francisco. He was located there at the time of the 1906 conflagration.

* * * PITCHER GOES ABROAD

C. R. Pitcher, formerly deputy manager of the Royal, now retired, and president of the Insurance Institute of America, gave a luncheon in New York to the board of governors of the institute and a few company executives, just prior to his departure on a cruise to the Mediterranean. He expects to leave the cruise boat at Southampton March 30 and spend two or three weeks in Great

Britain, where he hopes to visit a number of British insurance societies. He will return to the United States about May 1.

Mr. Pitcher is sandwiching in this Mediterranean cruise between his visits to the insurance societies of the United States, which will carry him to every locality where there is an insurance society domiciled affiliated with the Insurance Institute. He is going as far north and west as Winnipeg and Vancouver, and in the south to Atlanta.

* * * NAME CUBAN MANAGERS

The National of Hartford has appointed Johnson & Higgins Cuban managers. The Havana office will be under the supervision of Juan Fuentes.

LAWTON STATE FUND SUPERVISOR

MADISON, WIS., Feb. 3.—Appointment of Frank P. Lawton, Portage, as state supervisor of the state fire and life insurance funds and deputy fire marshal, is announced by Commissioner Mortensen.

Mr. Lawton was one of three certified to the commissioner for the position by the bureau of personnel after a civil service examination. Previous to 1927 he was secretary of the state workmen's compensation insurance rating board.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY of Providence, R. I.

Capital \$3,000,000

Surplus to Policyholders, \$11,159,491

INCORPORATED 1928

ANCHOR INSURANCE COMPANY Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Surplus to Policyholders \$1,563,657

Each of these Companies writes the following classes of Insurance
FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES
AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES

AUTOMOBILE—FULL COVERAGE GOLFERS' EQUIPMENT and LIABILITY

WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY Richmond, Va.

Capital \$500,000

Surplus to Policyholders \$1,671,770

FIRE
SPRINKLER LEAKAGE

TORNADO
AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

THE NATIONAL UNDERWRITER

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J. M. DEMPSEY, Resident Manager

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Work a Divine Panacea

WILLIAM FEATHER, editor of "Timely Figures" published by the ATLAS CALCULATING SERVICE, writes some very good stuff in this business house organ. It is homely philosophy that he spins from his loom but it is mighty good. Mr. FEATHER in one of the editions takes the position that work is the universal cure of the ills of mankind. He seldom finds unhappiness in the lives of busy people. The lines of sorrow, sickness and meanness are in the faces of those whose days are heavy with idleness. Speaking further he says:

"Let a man get himself deeply engrossed in his work, let him be pushed to crowd into the working day the many duties he has assumed, let him close his desk weary and tired, and you will have a man who sleeps soundly and who rises in the morning, smiling and eager for another day of life.

"The answer is that they are trying to buy happiness with short-cuts. They are not paying the price. They are trying to get without giving.

"I propose no false idea of service. I want no more uplift, no more committees, but I do think that for each of us there is some job, the honest doing of which will keep us better fit than any medicine that the doctors can prescribe.

"I pray that some task will always demand my attention and command my interest. I want no permanent freedom from work."

"The men, young and old, whose eyes shine and who laugh easily, are not found among those who have withdrawn from the race. The loafers, the dilettantes, the precious souls who live apart from the workaday world, arouse no envy in my breast. Though they may be worth a million, though their houses may be palaces, birds, I would not change places with them.

"Nature is shrewd. She denies the ker-

nels of happiness to parasites, and confers the blessings of health, aliveness, and the choice thrill of accomplishment on those who give their bodies, minds, and souls to creative effort.

"The trouble with the unhappy men and women who cross my path is that they will not work. Because the things they can do present some elements of drudgery they do nothing. Women who were born to cook, and raise children, assign these tasks to maids and become indifferent players of bridge and golf, and then wonder why their faces acquire ugly lines. Men who have the time and energy to assume responsibilities in public affairs, flee to foreign parts and wonder why they get no kick out of life.

"The answer is that they are trying to buy happiness with short-cuts. They are not paying the price. They are trying to get without giving.

"I propose no false idea of service. I want no more uplift, no more committees, but I do think that for each of us there is some job, the honest doing of which will keep us better fit than any medicine that the doctors can prescribe.

"I pray that some task will always demand my attention and command my interest. I want no permanent freedom from work."

Industry—A Primary Virtue

A PHILOSOPHER said the other day that when a person wants a thing hard enough he will get it if he works hard enough. There is much wholesome advice in this philosophy. The trouble with most of us

is that we do not draw on our pent up reserves. We could do much more if we stretched out and put in added licks. Perhaps, after all, industry is the great primary virtue in achieving success.

Giving More Time to One's Task

ALMOST every person who is employed today is giving more thought to what he is doing and probably putting in more hours on his task. He realizes the necessity of becoming more efficient and more useful. It is usually

the case that one gets more from his business or his work if he gives more time to it. After all there is no greater habit to form than that of systematic, honest labor and none that will do more to build character.

PERSONAL SIDE OF BUSINESS

Two insurance men running for the same office is a feature of the race for the Democratic nomination for Congress in the first district of Florida. Herbert J. Drane of Lakeland, serving his seventh term in the national house, has been an agent in Lakeland for nearly 50 years, and Dr. Sumter L. Lowrey, Sr., of Tampa who announced last week, looks back over an almost equal length of time in the business of insurance. The latter, who was a charter member of the fire agents state association almost 40 years ago, has been for the most part a life agent, though representing some fire companies, while Mr. Drane has devoted his time mostly to fire and casualty coverages.

Cabell Breckenridge Bullock, 97, nephew of John C. Breckenridge, famous general of the Confederate army, and for nearly 40 years connected with the Kentucky insurance department, died last week at Lexington.

Mrs. Fannie Ross Palmer, wife of W. H. Palmer, Jr., chairman of the board of the Virginia Fire & Marine and a son of the late Col. W. H. Palmer, long president of that company, died at her home in Richmond following a long illness.

Theodore Reyer, who was treasurer of the German Fire of Indiana when it retired from business in 1912, was struck and fatally injured by an automobile on a downtown street in Indianapolis. Since his retirement he has devoted most of his attention to his personal interests.

Mr. Reyer, in addition to his duties as treasurer, supervised underwriting. He had a very sympathetic understanding of the problems in the field and his advice was often sought. Many men, who became later prominent in the business, received their early training under him. Among those that might be mentioned are the late Fred T. Wise, who was Illinois state agent for the German of Indiana, and later became state agent for the Home of New York; Fred W. Koekert, now United States manager of the Commercial Union fleet; H. W. Boyd, formerly assistant western manager Royal; Harry Helm, now with the Fidelity & Guarnty Fire; R. L. Mauk, general agent North British; C. F. Engle, Indiana state agent Milwaukee Mechanics; C. W. Boicourt, underwriter for the American Mutual of Indianapolis; Ora Rudy, Indiana state agent State of Pennsylvania; Ernest Newhouse, Indiana state agent Indiana Insurance Company; Fred Doeppers, underwriting manager Union of Indiana.

A portrait of Junius E. West, former lieutenant governor of Virginia and member of the West & Withers local agency of Suffolk, was presented to the Virginia senate last week. As lieutenant governor, he presided over that body for eight years. He had previously served as a member of it. After the formal presentation, he was presented "in the flesh" to the senate and delivered an address of appreciation. James H. Price, Richmond insurance attorney, the present lieutenant governor, accepted the portrait in a brief address in which he eulogized his predecessor.

Laurence E. Falls, vice-president of the American of Newark, who recently underwent an operation for appendicitis, has left the hospital and is now at his home.

Miss Blanche C. Huber, secretary to Leo Thieman, executive secretary of the Louisville Board, has been elected for her sixth term as president of the Asher Business Women's Council. She has also served as president of the national body. Miss Huber prior to joining the

board some years ago was in the Louisville office of the Home of New York. She is a sister of James C. Huber, Lebanon, Ky., local agent, who is an officer of the Kentucky Association of Insurance Agents.

Mrs. Mary Kertz, head of the Kertz Insurance Agency, Buffalo, N. Y., died there following an illness of several months. When her husband died 26 years ago, Mrs. Kertz took active charge of his general agency, continuing the business under her personal management until the time of her death.

At a meeting of the Oklahoma Blue Goose it was decided by unanimous vote to sponsor the candidacy of T. Ray Phillips, state agent America Fore, for grand nest honors in 1932. In addition to representing the Oklahoma ganders at the grand nest for a number of years, he has filled every office in the Oklahoma pond. He was most loyal gander for one term and for several years acted as wielder.

The marriage of Miss Katherine Atwater, daughter of W. E. Atwater, state agent for the Caledonian and one of the founders of the Blue Goose, to Lyle S. McKown, local agent at St. Paul and son of J. C. McKown, secretary St. Paul Fire & Marine, took place in Milwaukee Saturday evening. Paul McKown, special agent for the St. Paul in Wisconsin, was best man.

John L. Coleman of Mount Sterling, Ky., state agent for the North America companies in eastern Kentucky, and head of the local agency of J. L. Coleman & Son at Mount Sterling, died Sunday of pneumonia. Death was sudden, as he was at his office Saturday.

Mr. Coleman, who was 64, had been with the North America since 1915, and had previously been in the field for the Dixie in Ohio. Before that he operated a general agency for several companies at Mount Sterling. Management of the agency at Mount Sterling was chiefly in the hands of his son, J. M. Coleman.

W. H. Riker, associate western manager of the North America, attended the funeral Tuesday.

Capt. J. J. Conway, superintendent of the Cincinnati salvage corps, is critically ill. He underwent a major operation last summer but recovered and resumed his work. Capt. Conway has a national reputation for his unique record as head of his organization. His activities outside of his salvage corps constitute his chief distinction.

Sheldon Catlin of Philadelphia, vice-president of the North America group, has been confined to his home for the last month with pneumonia. He is now in better shape and is recuperating.

C. W. Perry, who is president and owner of the G. W. Perry Company at Elmira, N. Y., has gone with Mrs. Perry for a cruise of the West Indies and South America. He is but 31 years of age and yet has achieved much in insurance. He has 150 agents for the Maryland Casualty and a total premium volume of over \$700,000. Mr. Perry was recently elected president of the Elmira chamber of commerce. For three years he has served as president of the Y. M. C. A. in his city. He is chairman of the Republican city committee and is very active in general community affairs.

Grover Bullington of the Bullington-Mason Agency, Wichita Falls, Tex., was adjudged its most useful citizen for the year 1931. Mr. Bullington has always been an ardent worker in civic and insurance circles.

THUGS BIND 3 IN HOME, STEAL \$349,000 GEMS

WIFE SCREAMS ON PHONE

Men Who Posed as
Flee—Fourth
Bring

**Today - More than ever -
Residence Burglary insurance
is needed. Are your clients
adequately protected?**

The AMERICA FORE GROUP of Insurance Companies
 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
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Eighty Maiden Lane.

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DALLAS

MONTRÉAL

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Northwest Ohio Hard Hit

Bank Failures Major Factor in Further Complicating a Troubled Collection Condition

TOLEDO, Feb. 3.—Probably no section of Ohio has borne more of the brunt of the present business situation than the northwest that might be termed the Toledo area. After the bank smash in Toledo numerous banks in outlying towns and cities were forced to close.

A number of villages now have no banking facilities and many good sized cities have been reduced to one bank. Building and loan associations limit withdrawals to meager amounts.

This situation has had a marked effect on the business of insurance agents. Very few offices report collections satisfactory and drastic action has been taken by most agencies to clear their books of long standing accounts. Where local associations exist, time limits for credit have been adopted and are being enforced. Where accounts are good renewals have been kept in line but new business is not sought, except where reasonably prompt payment is assured.

In automobile coverage agents report that collision has been dropped in many instances, followed later by liability; fire and theft being retained when possible.

The feeling seems to prevail that the worst is over but few arguments are put forth to substantiate the thought. Hope is expressed that the government credit corporation will at least ease the situation.

Insurance Society Hears Strong

CLEVELAND, Feb. 3.—The Insurance Society of Cleveland held its monthly meeting Feb. 3. O. G. Strong was the speaker on "The Desirability of Casualty Insurance."

Want Donahey to Run Again

Petitions are being circulated in Ross and Pickaway counties, Ohio, seeking to place the name of former Governor Vic Donahey, now president of the Motorists Mutual, on the Democratic ballot for governor again this year.

Senn Is Toledo President

G. W. Senn was elected president of the Toledo Association of Insurance Agents at the annual meeting. F. W. Smith is first vice-president; J. J. Lovett, second vice-president. In addition to the officers, the board of trustees is made up of H. S. Boynton, W. S. Kridler, H. S. Martin and Dorman Richardson. There will be a formal installation and banquet Feb. 15, at which W. H. Bennett, secretary National Association of Insurance Agents, will be the principal speaker.

Marietta Has Good Record

An all year around fire prevention campaign carried on by the members of the local fire department, in which education of the people as a whole in the matter of fire hazards is stressed, is credited with the remarkable showing of Marietta, Ohio, a city of over 15,000 population, where the fire loss last year amounted to only \$2,900. So far this year, not a single fire has been reported in the city. The firemen work in cooperation with the state building inspector, building material and architecture being considered in the inspection tours. Defects in heating plants and their connections are noted and the necessary

improvements suggested; while removal of inflammable rubbish from the premises is insisted upon. Constant alertness on the part of the members of the fire department, even when off duty, makes fire hazards scarce in Marietta.

West Virginia Losses Up

Fire Marshal Stahlmann reports the 1931 fire loss in West Virginia as \$5,054,465, increase \$254,530.

The Thomas E. Woods Agency of Cincinnati has opened an office in Dayton, O., in the Mutual Savings & Loan building. Garfield Mitchell is manager. The Dayton office will be used principally for developing casualty business in the territory about Dayton for the General Accident, which is represented by the Thomas E. Woods Agency.

Central Western State News

Take Stand on Bank Agencies

Directors of Indiana Association Adopt Resolution Seeking to Clarify Situation as to Failed Institutions

INDIANAPOLIS, Feb. 3.—Disposition of insurance departments in failed banks and trust companies in Indiana created a problem that became further complicated when the Indiana department ruled that such insurance departments should not be operated by receivers of the defunct institutions but should be disposed of. At a number of points in the state situations developed which local agents have felt should be clarified. At a meeting of the directors of the Indiana Association of Insurance Agents a resolution was adopted de-

claring it to be the sense of the board "that in the event of the failure or liquidation of any financial institution in this state having an insurance department, such insurance department shall not be transferred to any other financial institution not already having an insurance department."

"It is also the sense of this board, that the merging of financial institutions, any one of which maintains an insurance department, which institution has not gone into either receivership or liquidation, does not constitute a new financial insurance agency as referred to in the conference agreement, even though a change of name might be adopted, or a new charter secured."

The resolution was precipitated by a situation at Delphi, Ind., and the board resolved that in that particular case there was no violation of the conference agreement on the non-extension of bank agencies.

Bland Heads Detroit's Board

Newnan Becomes Vice-President and Grow Board Chairman—Howland and Hennes Reelected

DETROIT, Feb. 3.—Pearce B. Bland, president Cadillac Insurance Agency, was selected president of the Detroit Association of Insurance Agents at the first meeting of its new board of directors last week. Mr. Bland has been a member of the board for many years and has executed many important committee assignments for the association. He was vice-president last year and treasurer the year before. He succeeds J. Alfred Grow, manager insurance department of Homer Warren & Co., who served two terms as head of the board.

Henry L. Newnan, vice-president Detroit Insurance Agency, was elected vice-president to succeed Mr. Bland. Mr. Newnan served his first term on the board last year. Dean W. Howland was reelected treasurer and Theodore J. Hennes, who has acted as secretary of the association since its formation 13

Made President



J. F. ANKENBAUER

J. F. Ankenbauer is the newly elected president of the Cincinnati Fire Underwriters Association. For many years Mr. Ankenbauer served this organization as secretary. Other officers are Clifford Clemens, vice-president; Gordon Burrer, Joseph Dilhoff and W. A. Earls, board members. Joseph Schweer is continuing as secretary.

years ago, will continue in that office. Mr. Grow was elected chairman of the board to succeed William A. Doyle, president W. A. Doyle agency of Highland Park.

Indianapolis Fire Loss Low

H. E. Smoke, director of public relations, Indianapolis Chamber of Commerce, stresses the point that fire prevention activities of that city over the last decade bore fruit during 1931, in the form of the lowest fire loss for many years. A report by the salvage corps shows a total fire waste in Indianapolis during 1931 of only \$526,000, which is more than \$171,000 less than the previous low figure, reached in 1926. The per capita fire loss of \$1.42 for 1931 is the lowest since figures were kept by the chamber of commerce, beginning in 1920, when the per capita loss was \$5.75. Fire prevention activities by the chamber of commerce were begun in 1922, inspection and education always being prominently featured in the campaign. Inspection of industries by trained inspectors has resulted in a marked decrease of the large industrial fires.

Prepare for Lansing Inspection

LANSING, MICH., Feb. 3.—President W. Everts Rouse of the Lansing Board of Insurance Agents has appointed Clyde B. Smith, former president National Association of Insurance Agents, as chairman of a committee to plan for observance of Fire Prevention Day here April 13. The occasion is the inspection of Lansing by the Michigan Fire Prevention Association. Emil Lambertson of the Edward G. Hacker company and Ralph Goodell of the Dyer-Jenison-Barry Company will serve with Mr. Smith in arranging the day's activities. R. E. Vernon of the Western Actuarial Bureau, Chicago, will be the main speaker. H. K. (Smoky) Rogers will also be on hand.

Two Illinois Veterans Dead

Two veteran local agents of Illinois died last week. One was W. S. Poust of DeKalb, who retired Jan. 1. Mr. Poust

Birds of Flight in Ohio



W. T. BENALLACK, Detroit



C. P. HELLIWELL, Milwaukee

speaker at the Ohio banquet. Mr. Helliwell is general agent of the New Brunswick and formerly was Wisconsin state agent of the Queen. For many years he was chief clerk in the western department of the Queen at Chicago. Since taking hold of the grand wielder's office Mr. Helliwell has shown marked ability in discharging the duties of that important post.

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact, stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

NEAL BASSETT, President.

NEAL BASSETT, President

JOHN KAY, Vice-President and Treasurer A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

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A. H. HASSINGER, Vice-President

HENRY M. GRATZ, President

WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

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JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

NEAL BASSETT, President

JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

NEAL BASSETT, President

JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President

SUPERIOR FIRE INSURANCE COMPANY

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WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

ARCHIBALD KEMP, 2d Vice-President

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

NEAL BASSETT, Vice-President

CHARLES L. JACKMAN, President

JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President

THE CAPITAL FIRE INSURANCE COMPANY

NEAL BASSETT, Vice-President

CHARLES L. JACKMAN, President

A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

NEAL BASSETT, Vice-President

CHAS. H. YUNKER, President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

ARCHIBALD KEMP, 2d Vice-President

MILWAUKEE MECHANICS' INSURANCE COMPANY

NEAL BASSETT, Chairman of Board

J. SCOFIELD ROWE, President

EARL R. HUNT, Vice-Pres.

H. S. LANDERS, Vice-Pres. & Gen'l Counsel

S. K. McClure, Vice-Pres.

JOHN KAY, Vice-Pres.

S. WM. BURTON, Vice-Pres.

J. C. HEYER, Vice-Pres.

WELLS T. BASSETT, Vice-Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

NEAL BASSETT, Chairman of Board

C. W. FEIGENSPAN, President

JOHN KAY, Vice-President

H. S. LANDERS, Vice-Pres. & Gen'l Counsel

W. VAN WINKLE, Vice-President

E. C. FEIGENSPAN, Vice-President

WELLS T. BASSETT, Vice-President

COMMERCIAL CASUALTY INSURANCE COMPANY

WESTERN DEPARTMENT

844 Rush Street, Chicago, Ill.

H. A. CLARK, Manager

Ass't Managers

H. R. M. SMITH

JAMES SMITH FRED. W. SULLIVAN

EASTERN DEPARTMENT

10 Park Place

Newark, New Jersey

CANADIAN DEPARTMENT

461-467 Bay St., Toronto, Canada

MASSIE & RENWICK, Ltd., Managers

PACIFIC DEPARTMENT

San Francisco, California

60 Sansome Street

W. W. & E. G. POTTER, Managers

Ass't Managers

JOHN R. COONEY CHAS. H. GATCHEL

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

Common understanding of agents

THREE is a common understanding between our agents and ourselves that is unusual but is most helpful and productive for all of us. The reason is that the experience of our executives is the same as any local agent because all have been thoroughly grounded in local agency work with the well-known R. B. Jones & Sons agency of Kansas City and Chicago.

Agents like to talk over their problems with those who actually know problems that face them and are in a position to help them. Consequently, agents like to bring their problems to us and naturally we like to have them do that. The result is highly encouraging.

There is a place in your agency for this Kansas City company if you are interested in a company that is interested in you.

Organized and managed by R. B. Jones & Sons, Kansas City, Chicago

Kansas City Fire and Marine Insurance Company

Chicago, Ill.
Insurance Exchange

Kansas City, Mo.
Federal Reserve Bank Bldg.

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

Insurance Audits

Scovell, Wellington & Company
ACCOUNTANTS—ENGINEERS

10 East 40th Street—New York

Boston Springfield Philadelphia Syracuse Cleveland Chicago Kansas City San Francisco

Budgetary Control

was president of the local board in DeKalb for several years. The Poust agency was started in 1904.

The other was Anton Schader of Joliet. He was 73 years of age. His business was established in 1899.

Vandenbusch & McVoy Incorporate

Vandenbusch & McVoy agency, Grand Rapids, Mich., has incorporated. Incorporators are Martin T. Vandenbusch, G. Earl McVoy, who is president of the Michigan Association of Insurance Agents, and Orson J. Sawyer.

Michigan Notes

Ethel Moore has opened the Goebel Insurance Agency at 219 Hammond building, Detroit.

Trudeau Des Jardins has opened a general insurance agency at Lapeer, Mich.

For the past seven years Mr. Des Jardins represented the Auto Owners of Lansing at Ortonville.

Representative **James M. Wilson**, of Kalamazoo, who is chairman of the insurance committee of the lower house of the Michigan legislature, has moved his agency to more commodious quarters in the Bank of Kalamazoo building.

With fire losses of only \$3,212 in 1931, a material reduction from the previous year, **Albion, Mich.**, with population of about 10,000, has every reason to be proud of its record in this respect. The report of Assistant Fire Chief Whitney discloses that of the 78 fire alarms to which the department responded during the year, 54 were for fires in homes, 39 of the fires being listed as due to sparks on roofs.

The **Marsh & McLennan S. S. Glass Corporation** will move Jan. 23 to the former quarters of the General Casualty & Surety in the First National Bank building, Detroit. The agency has been located for several years at 15 West Congress street. The new office greatly increases the floor space, giving the agency 6,000 square feet. S. S. Glass and A. G. Crandall are resident vice-presidents in the Detroit office.

STATES OF THE NORTHWEST

Refusal to Pay Waives Proof

South Dakota Supreme Court Upholds Established Rule, Where Insurer First Charged Arson

The rule that if the insurer, within the time for presenting proofs of loss, refuses or fails to pay the loss, it waives the necessity of proof, has been upheld by the South Dakota supreme court in State vs. Aetna.

The state was the plaintiff in this case because after the fire when the Aetna refused to pay the loss, the owner of the insured property assigned the policy to the state with the understanding the proceeds of it, when collected, should be applied on a rural credits loan.

Investigation Is Started

Without waiting for or asking for proof of loss, the Aetna proceeded to make an investigation into the fire. The assured was called to a law office, where he was introduced to one Wilson who at first assumed to represent the Aetna. He discussed with the assured the cause of the fire and went with him to the scene to look over the premises. He then stated to the assured that he did not represent the Aetna. However, at the trial, the Aetna did not claim that Wilson was not its agent and was not there for the purpose of investigating the fire.

The South Dakota supreme court held that the circumstances were sufficient to show a waiver of proof of loss. It clearly appeared, according to the court, that the Aetna decided not to pay the loss long before the expiration of the time for furnishing proof. It was in nowise prejudiced by the failure to furnish proof. Nor did it rely upon failure to furnish a proof when its answer was prepared. Its defense at that time was that the fire that destroyed the prop-

erty "was caused and procured by the acts of the owners of such premises," and it was not until it had utterly failed to establish this defense that it fell back upon the defense of no proof of loss.

Hotel Men Want Rate Change

MILWAUKEE, Feb. 3.—Application to the Fire Insurance Rating Bureau for reclassification of hotel fire insurance rates was voted at the annual meeting of the Milwaukee Hotel Association here. Their application will be based on a recent authorization of the National Board placing hotels in a separate classification.

Reorganize Fond du Lac Board

FOND DU LAC, WIS., Feb. 3.—With 17 agencies lined up and additional agencies contemplating membership, the Fond du Lac Board has been reorganized with W. Conan Thornton, McDermott-Thornton Agency, as president; E. F. Tambke, Tambke-Heath Agency vice-president; A. J. Petri, secretary, and U. S. Schuchardt, A. B. Schuchardt & Son, treasurer. Directors are A. G. Dana, G. F. Korrer, H. T. Hierl, Hugh Crosby and W. J. Ryan. Besides establishing a standard of ethics among board members, the organization will work to improve the relationship between board members as well as between agents and companies.

Wisconsin Notes

Articles of incorporation for **Van-Stark, Inc.**, Milwaukee agency, have been filed by A. P. Stark, Gordon Stark and D. A. Van Der Laan.

W. C. Wille, 73, treasurer of the Cream City Mutual Fire for 30 years, died at his home in Milwaukee after a three week's illness.

IN THE MISSOURI VALLEY

Affidavit for Qualification

Much Interest Taken in the Questionnaire Sent to Applicants for Iowa Licenses

Considerable interest is being taken in the agency qualification affidavit being sent out by the Iowa insurance department to those seeking to be licensed as agents. There are 18 questions asked, there being five divisions under No. 18. The questionnaire aims to bring out the person's experience in insurance, knowledge of the Iowa insurance laws, time that he expects to devote to insurance, amount of premiums he may expect to write, companies that have been repre-

sented by the applicant in Iowa during the last five years, reasons for giving up any company, information as to arrears for any premiums during the last two years. The questionnaire has to be sworn to by the applicant.

Commissioner Clark of Iowa was induced by a joint committee of the Iowa Association of Insurance Agents, Casualty & Surety Club and Des Moines Underwriters Association, to urge all companies to be more discriminating in the appointment of agents and to recommend that they use the agency qualification affidavit which he has prepared for the licensing of their agents this year. The committee consisted of C. E. Ford, Dan McEniry, Frank Noble and H. B. White.

Mr. Clark said that he was not able

to put into operation the agents' qualification plan, which the joint committee proposed, but he agreed to send out to all companies operating in Iowa a letter on the relicensing of agents and attach a recommended questionnaire. At the same time he sent out a letter to general agents and large agencies calling their attention to the fact that all members of an agency and solicitors operating from the office must secure a license for every company in the agency.

Questions Are Given

Among the questions in the affidavit are: Are you applying for this license primarily to effect insurance upon yourself or your own property or that of your employer or employees? Have you thoroughly studied the Iowa insurance laws and the policy contracts you intend to sell; if so, how much time have you given to this study? How much of your time will be devoted entirely to the insurance business? What experience or training have you had in the insurance business? Has a license ever been refused, suspended or revoked by the insurance department of any state or by a court?

Other questions are: Are you now or have you been within the last two years, in arrears for any premium collected and overdue under your contract with any company or general agent you represent, or otherwise indebted to them?

The letters and affidavits are being sent to the 304 stock fire companies in the state, 26 state mutuals, 26 reciprocals, 154 casualty and 120 life companies. Seventy thousand affidavits are being printed. In 1932, 40,000 fire, 18,800 casualty and 11,100 life licenses were issued.

Pay Honor to Five Veterans

Arrangements Completed for Field Men's Dinner to Be Held in Des Moines Friday Night

DES MOINES, Feb. 3.—Plans have been completed for the banquet here Friday evening honoring five Iowa field men who have completed 25 years' consecutive service in the Iowa field.

W. A. Harvey, Great American, is in charge. W. H. Harrison will be toastmaster. Speakers will include C. D. Wadsworth, Springfield; H. Verne Myers, Waterloo, Security of New Haven; R. V. McCormick, Davenport, American of Newark; J. C. Stuart, Aetna; H. A. Houghton, Firemen's; W. M. Palmer, New York Underwriters; O. J. Davis, Home of New York; C. S. Hunter; Claude Barrett, Hanover; N. P. McGovern, St. Paul Fire & Marine, and Fred Brake, Aetna.

R. G. Vincent, American, will present suitable memorials to the five honored guests: A. M. Upham, Liverpool & London & Globe; C. T. Millard, Iowa State; George N. Schrup, Dubuque Fire & Marine; E. S. Freeman, Agricultural, and H. M. Minick, Fireman's Fund.

W. J. Harvey will present a testimonial to J. P. Fellows, Fireman's Fund, who has been transferred to Chicago. Company officials present will be called upon, and "Uncle George" Newman, retired veteran adjuster, will also be present.

Kansas Blue Goose Luncheon

TOPEKA, Feb. 3.—R. L. Berry, Kansas City, contract manager of the American Appraisal Company of Milwaukee, was the speaker at the Blue Goose luncheon Monday.

J. C. Coldiron, Globe & Rutgers, was chairman and Frank L. Britton, vice-president Preferred Risk Fire, Topeka, introduced the speaker. J. F. Springer of the Western Adjustment will be chairman next week.

Hudson Cat's Meow Speaker

KANSAS CITY, Feb. 3.—About 50 members of the Cat's Meow, Kansas City court, and guests heard Dennis

Hudson, president of the Central Surety, talk on casualty insurance, reviewing developments of recent years and some of the major problems of today.

Carl Lawton, president of the Missouri Insurance Council, and member of the St. Louis court of Cats, spoke briefly. He emphasized Mr. Hudson's view that it depends "on you fellows to carry on." A. A. Buford, manager of the council, told of its work, as did T. S. Ridge, Jr. The Kansas City court voted to support the council 100 percent.

J. E. McCann, McCann Adjusting Company, briefly reviewed the founding of the Cats Meow organization in St. Louis some years ago.

Agency Starts Weekly Luncheons

TOPEKA, Feb. 3.—The first of a series of weekly luncheons for discussion of various phases of insurance was attended by members and employees of the Meade Investment Company, Topeka local and general agency. Lakin Meade, secretary, presided and W. S. Whitford, state agent of the Springfield, talked on "Risks and Insurance."

It is planned to have the various state and special agents that call upon the agency talk at the luncheons. The field men are in favor of the idea as it will not only afford them an opportunity to give the agency valuable information but through preparing the material they will have an opportunity to study and seek out information that will undoubtedly be of benefit to them.

Cavanaugh Agency Named

The Southern Fire on Feb. 1 changed its plan of operation in Nebraska and Kansas from a state agency to a general agency basis, and appointed the Cavanaugh Company, City National Bank building, Omaha, as general agent. The Cavanaugh organization has an excellent standing in insurance circles, and is equipped to render prompt and satisfactory service. It already represents two companies of the Home fleet, the Harmonia and Homestead Fire, and has developed an excellent business.

Nebraska Farm Cancellations

LINCOLN, NEB., Feb. 3.—Policies by the hundreds are being cancelled in sections of the state where by reason of drought and grasshopper damage destitution exists among the farmers, because of the increased moral hazard. Particularly is this true of the mutuals, which write the bulk of this business. A great increase in losses on farm buildings and dwelling is reported by all companies.

To Select New Secretary

DES MOINES, Feb. 3.—A meeting of the Iowa Underwriters Field Club has been called for Feb. 5 to choose a new secretary to succeed James P. Fellows, who has been transferred by the Fireman's Fund to Chicago as state agent in northern Illinois. Mr. Fellows was formerly state agent in Iowa and Nebraska, with headquarters in Des Moines.

Nebraska Department Collections

The Nebraska department collected \$64,028 from insurance companies in 1931 from these sources: Premium taxes, \$596,883; agents' licenses, \$68,452; examination fees, \$13,698; miscellaneous fees, \$14,995. This is in addition to local taxation of fire companies, which also pay $\frac{1}{2}$ of 1 percent on gross premiums for the support of the state fire marshal's department. Less than \$30,000 of the collections were used in maintaining the bureau.

Burlington Board Elects

All officers of the Burlington (Ia.) Insurance Agents' association were re-elected at the annual meeting held last week. E. M. Wesner is president; G. M. Dwight, vice-president; W. F. Gard-

ner, secretary-treasurer; E. C. Cady, chairman executive committee.

New Nebraska Insurance Journal

The Insurance Topics Company has been incorporated at Lincoln, Neb., by Willard F. Gostelow, Mabel Wiemers and Elmer Brisack. Mr. Gostelow has begun publication of a monthly journal devoted to Nebraska insurance interests.

Iowa Notes

E. R. Wolfe has purchased the agency of the late G. M. Modlin, Toledo, Ia.

A. C. Obrecht has sold the Spencer Insurance agency, Spencer, Ia., to C. H. Tyrrell of Spencer.

P. J. Sheehan has purchased the insurance business of the late A. L. McClernon, Independence, Ia.

The Ellis & McKinney Co., Des Moines, has added a life department to its fire and casualty lines, taking over Iowa management of the Ohio National Life.

R. J. Elde, Des Moines, has opened an agency at 415 Securities building, affiliated with the Ellis & McKinney Co. He has been with various agencies there for 13 years.

H. E. Wagoner, 66, head of the Wagoner Insurance Agency, St. Louis, died there after a few days illness with pneumonia.

News of States in the Southwest

Active Program for Oklahoma

Membership Campaign, Study of State Laws, Revision of Fire Contract Planned

OKLAHOMA CITY, Feb. 3.—Its 1932 program indicates a very active and aggressive year's work ahead for the Oklahoma Association of Insurors. A membership campaign is being thoroughly organized to blanket the entire state with four regional chairmen. Stuart Pearce, Pearce, Porter & Martin, Tulsa, is Region 1 chairman; M. E. Williams, McAlester, Region 2; C. L. Frenzley, Region 3, and E. R. Ledbetter, Oklahoma City, Region 4.

Planned legislative activities provide for a study of Oklahoma insurance laws and their influence on fire and casualty business.

The Oklahoma association is also agitating for the adoption of the 30 day cancellation clause and the exclusion of

Fire Association of Philadelphia

The Reliance Insurance Company



Victory Insurance Company

OTHO E. LANE, President
JAMES G. MACONACHY, Vice-President
J. VICTOR HERD, Secretary

Constitution Indemnity Company of Philadelphia

OTHO E. LANE, President
FRANKLIN VANDERBILT, Vice-President and General Manager

HEAD OFFICES

Fourth and Walnut Streets Philadelphia

DEPARTMENTAL OFFICES

Chicago

Atlanta
Toronto

San Francisco
New York

Dallas

SAFETY SIDELIGHTS

a red lantern for the home

To placard every dwelling in the United States with large DANGER signs seems fantastic. Yet, according to the custom of warning folks against sources of possible injury, we certainly should post warning signs all over our homes, for

About 30,000 deaths are caused annually by accidents in the home, and

For each death it is estimated that there are 150 non-fatal injuries.

War may be sensational, but its results are hardly less tragic than the terrific annual home accident toll which might be eliminated by the use of foresight and care.

**Great American
Indemnity Company
CASUALTY New York SURETY**



Established 1923
LINCOLN
FIRE INSURANCE COMPANY
OF NEW YORK

A strong and seasoned institution with a rugged honesty in conduct and service to its policy-holders and agents.

MANAGERS

GEO. W. BLOSSOM

WM. A. BLODGETT

O. F. WALLIN

HEAD OFFICE
90 John St.
New York

PACIFIC COAST DEPT.
114 Sansome St.
San Francisco

WESTERN DEPARTMENT, 175 W. Jackson Blvd., CHICAGO
Harry G. Casper
Associate Manager

cigarette losses unless followed by ensuing fire, in the standard contract.

Four regional conventions are planned for the year, the first tentatively set for the latter part of February at Muskogee. District chairmen named to function in the four regions are Ben G. Harned, Okmulgee; Garland Jackson, Muskogee; Ray Siegfried, Tulsa; V. V. Sills, Ponca City; Harry A. Pierson, Shawnee; Sam T. Green, Poteau; L. W. Weaver, Antlers; O. R. Salmon, Durant; C. A. Chinchell, Chickasha; R. H. Farnham, Duncan; John Murray, Altus; R. B. Parmon, Elk City; John S. Adams, Oklahoma City; E. G. Commons, Hammon; Charles P. Cansless, Enid, and J. B. Langston, Guymon.

L. F. Dakin and G. T. Herenden, special agents; J. P. Latimer and C. N. Hughs, marine special agents, and Miss Ivy L. Molander, secretary. Messrs. Blakeney and Hughs are from the home office, Mr. Dakin from Houston and Mr. Herndon from Dallas. Mr. Herndon will continue to maintain an office in Dallas to be in closer touch with the north Texas territory.

Change in Ardmore Agency

The Hinkle & Wilson agency, one of the oldest in Ardmore, Okla., has taken over the Love Agency and in future will be known as Hinkle, Wilson & Love. C. A. Wilson, who operated the former agency, bought out Mrs. Agnes Hinkle and took in T. L. Love, forming the present firm.

Mr. Wilson, until stricken with a very serious illness a couple of years ago, was an active worker in the Oklahoma Association of Insurors and is still serving on its executive committee.

Sayre and Elk City Inspected

The Oklahoma Fire Prevention Association inspected both Sayre and Elk City last week. Sayre was found in splendid condition, but the report was not so favorable at Elk City. Electric wiring was said to be in deplorable condition. In Sayre President Carl Lund and Secretary W. S. Eberle addressed the school children, and the former spoke to the Kiwanis club.

At Elk City George Wyatt of the Hartford and F. C. Newcomer of the Cotton Association spoke to the school children and President Lund at the Rotary club luncheon. C. T. Ingalls, manager Oklahoma Inspection Bureau, spoke at a public meeting at night.

Recovers for Negligence Loss

AUSTIN, TEX., Feb. 3.—The Texas supreme court in affirming the case of Exporters & Traders Compress & Warehouse Company vs. Bargainer, from Wichita county, held that a warehouseman cannot avoid fire loss liability where he is guilty of carelessness or negligence, simply by inserting in his receipts that he will not be responsible for loss by fire. Bargainer recovers \$1,858 for the loss of 15 bales of cotton burned in a warehouse. He set up several acts of alleged negligence and lack of care which the jury sustained.

Arkansas Notes

The Hugh Mixon agency and Mitchner Insurance Service, Marianna, Ark., have consolidated as the **Mixon-Mitchner Co.**

The **Collins - Williams Insurance Agency**, DeQueen, Ark., has been established by Henry Collins and Carl A. Williams.

IN THE SOUTHERN STATES

Deny Cut in Sprinkler Rates

Louisiana Commission Also Rejects Petition Requiring More Detailed Classification of Experience

NEW ORLEANS, Feb. 3.—By a vote of two to one the Louisiana insurance commission denied the petition for a horizontal reduction in fire insurance rates on all Louisiana sprinkler-equipped risks, which was requested on the ground of their more favorable experience in the volume of fire losses suffered. The commission denied the petition asking that the stock fire companies be required to report their loss experience distributed among 155 classes of risks, instead of the present 28 classes.

Mouton Dissents

Chairman R. M. Walsmley and Commissioner John D. Saint voted to deny the request of the petitioners, the dissenting vote being cast by Commissioner Fernand Mouton.

License Law Objection Cited

Oppose Application to Small Town Agents—Kentucky Bill in Senate Committee

LOUISVILLE, Feb. 3.—Opponents of the agency qualification bill, which was speeded through the lower house of the Kentucky legislature, but has not yet been reported from the senate committee, contend that the company interests are not opposed to the bill as a whole, but are anxious for certain amendments, to make it optional rather than mandatory in the case of appointment of agents in the small towns. They say it is hard to secure good representation in such places, that it would be expensive to educate the agent first and send him to an examining point for examination for license, and that as the company has to educate the man any way it might as well be in the course of business.

However, the agents counted that re-

removal of the regulation as regards the small town agent would make the law worthless, would not improve underwriting conditions in the state, would not reduce loss ratio, or bring a better type of men into the business. Further, if a small town man should become an agent without being examined and is once licensed, it would be hard to ever do anything with him. It would be class legislation, they say, to force the city man to take an examination, and merely issue a license for a small town man. It may be true that there isn't enough business to warrant full time of a competent agent in the small town, but that, they contend, is just what is burning up the companies, resulting in high loss ratios, high rates and unsatisfactory conditions in fire insurance.

Tornado Losses in South

Alabama and Mississippi agents report increased losses as a result of widespread tornadoes in the two states in the last 10 days. Tornado claims have been greater than in a number of years. During a windstorm the courthouse at Jasper, Ala., was apparently struck by lightning, ignited and burned. The loss was \$200,000, with \$100,000 insurance.

Steckler Buys Out Wagner

H. A. Steckler, president of the Steckler-Wagner general agency of New Orleans, has acquired the interest in that office of Vice-president J. I. Wagner and will hereafter operate it as Henry A. Steckler.

J. E. Simoneaux, who has been secretary of Steckler-Wagner, is now chief underwriter. H. J. Eberhardt continues as manager of the casualty and surety department.

Revise Laundry, Cleaning Rates

RICHMOND, Feb. 3.—Revision of schedules, rates, rules and regulations for rating laundries and/or dry cleaning plants having an acceptable circulating

system and using safety solvents exclusively has been authorized by the Virginia corporation commission on application of the Virginia insurance rating bureau. The revision makes certain reduction in rates but no increases.

Peery Renamed on Commission

George C. Peery, member of the Virginia state corporation commission, who supervises insurance matters for the body, has been reelected for a six-year term. He became a member of the commission two years ago.

To Record Cancellations

MONTGOMERY, ALA., Feb. 3.—For the purpose of placing the insurance profession on a higher plane and to eliminate objectionable agents Superintendent Greer is preparing printed forms to be sent to general, special agents, supervisors and other insurance officials in order that the insurance department may be advised of the reasons for any company's cancellation of an agent's license. The form will require specific reasons why an agent's license is cancelled. When returned to the department it will be filed for reference.

Virginia Notes

The Brown & Amiss agency, Culpeper, Va., has been acquired by W. A. Clark of Unionville, Va., who will operate the agency at Culpeper under his own name.

Charles D. Carter, Jr., well known agent of Covington, Va., has been presented a 25-year service medal by the Fidelity-Phenix.

The Hopewell Insurance Agency, Hopewell, Va., has been incorporated. M. N. Vaughan is president; E. W. Taylor, vice-president; F. G. Bridgewater, secretary.

Mrs. R. J. Carter, mother of B. P. Carter, formerly Virginia state agent for the St. Paul Fire and Marine, now a member of the Brown & Carter general agency of Richmond, died at her home in that city.

ON THE PACIFIC COAST

Swearingen Coast Pond's Head

Blue Goose Conference Annual Meeting in San Francisco—K. C. Smith Field Club President

SAN FRANCISCO, Feb. 3.—Ray Swearingen, America Fore, most loyal gander San Francisco Blue Goose, was elected president of the Conference of Pacific Coast Ponds at a meeting here Monday, succeeding V. W. McKinney of Los Angeles. J. Edward Johnson, London Assurance, Seattle, was elected vice-president and J. Charles Harris of San Francisco reelected secretary-treasurer.

Kenneth C. Smith, Fireman's Fund, was elected president of the Special Agents Association of Central & Northern California at its annual meeting. Arthur W. McKnight, Home of New York, is vice-president; Chester S. Myrick, Liverpool & London & Globe, treasurer, and Harrison Houseworth, Liverpool & London & Globe, reelected secretary. William Deans of Selbach & Deans addressed the meeting on "Experiences in Our Business From 1850 to 1931."

Twelve goslings were initiated by the San Francisco Blue Goose, including Commissioner E. Forrest Mitchell, Vernon Mitchell, analyst of the insurance division, and R. M. Levison, deputy state fire marshal.

The Los Angeles fire commission has denied the application of the chamber of commerce at Roscoe for a fire station with paid firemen on duty, this action being due to lack of equipment and firemen. The fire station at Van Nuys, six miles distant from Roscoe, will continue to provide protection.

Coast Factory Pool Boosted

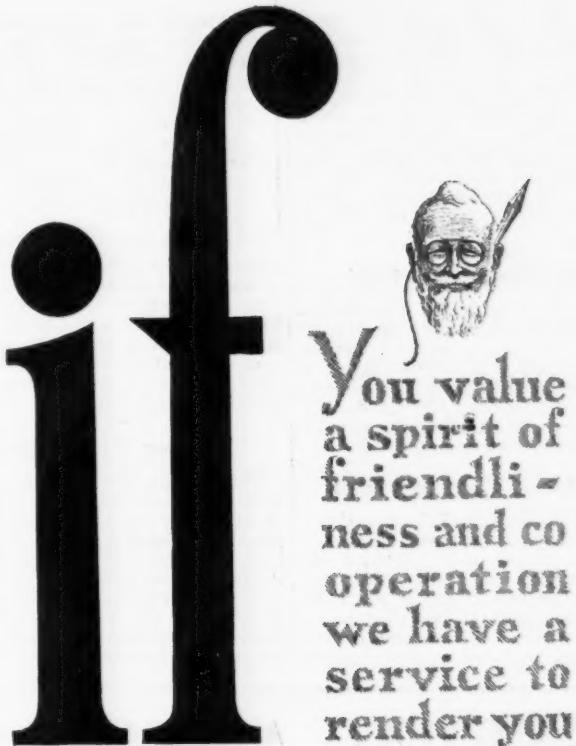
Grant Bulkley Cites F. I. A. History as Evidence of What Pacific Association Might Accomplish

Grant Bulkley, resident secretary in the Pacific department of the Springfield F. & M., in his talk before the annual meeting of the Fire Underwriters Association of the Pacific, recited the successful history of the Factory Insurance Association as evidence of what may be expected of the Pacific Factory Insurance Association when it is formed and gets under way. He predicted that the Pacific association will be "an efficient and effective defense against the rapid encroachments of mutuals and reciprocals."

Broad Form Competition

Several years ago, Mr. Bulkley recalled, one of the strongest arguments of the mutuals, other than low cost, was broad form. The F. I. A. has been successful, however, in its attempt to gain from rating organizations permission to liberalize forms. Now the broad form is just as broad as mutual cover in every essential, he said.

In 1890, the F. I. A. with 11 members, Mr. Bulkley recalled, insured 15 risks with total liability of about \$5,000,000 and premiums of \$13,000. The average rate on an annual basis was 25.2 cents, the loss ratio 5.1 percent and expense ratio 59.8 percent. In 1930, with 75 members, 2,159 risks with liability of \$3,234,000 were in force and premium income was about \$2,000,000. The loss ratio was 41.1 percent and expense ratio 42.1 percent. The average rate was 6.3 cents. Despite the low rate



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there was a trading profit of \$284,000. In its history, the F. I. A. has made a total net trading profit of \$9,320,000.

For the past 14 years, more business has been taken from the mutuals than they took from the F. I. A., he said. Last year the F. I. A. got 83 mutual lines with insurance of \$128,860,000, while the mutuals only got 35 lines from the F. I. A.

"Instead of meeting mutual competition directed at stock companies, which was the original purpose," Mr. Bulkley declared, "it is getting to a point where the mutuals not only respect but actually fear the Factory Insurance Association and will be forced to meet its competition."

Seattle Marine Men Elect

SEATTLE, Feb. 3.—At the election of the Seattle Board of Marine Underwriters, B. B. Pelley, Balfour, Guthrie & Co., was named president succeeding J. C. Court of Alexander & Baldwin; John J. Snapp, Labow, Haynes & Vall, vice-president, E. H. Hutchinson, manager Yangtsze, reelected secretary.

Ramsden at Many Meetings

SAN FRANCISCO, Feb. 3.—Percy S. W. Ramsden, president California Association of Insurance Agents, is returning to his Oakland headquarters from a trip to southern California where he conducted a number of regional meetings. He reports endorsement of the principle of automatic cancellation or

This Fire Water Causes Loss to Fire Companies

Proving that there is fire water and fire water in the Mabel Walker Willebrandt grape juice country, a bottle of drinking water started a fire at the home of Dr. I. S. Isaacs at Hermosa Beach, Cal. Rays of the sun were focused by the bottle on the walls of the frame building, creating enough heat to ignite the wood.

suspension of policies for nonpayment of premiums at points throughout the state in northern and southern California where meetings have been held recently. Percy Goodwin, past president National association, was the principal speaker at the regional meeting held in Riverside Jan. 29.

Logging Pool Successful

The Logging Underwriting & Inspection Association reports a loss ratio of about 45 percent on a greatly reduced premium volume for 1931. In 1930 the pool had a ratio of about 6 percent, although in some years the ratio has been as high as 200 percent. The reduction in volume is due to the fact that many loggers in Oregon and Washington did not open their camps this year and those

that did operated at a loss and had little to insure.

Deductible Proposal Clarified

The 20 percent deductible hail form, as proposed by E. K. Bowman, manager of the Montana board of hail insurance, would reduce the rate to about two-thirds of the prevailing scale, Mr. Bowman explained. It was first reported that the present rate would be reduced two-thirds by the deductible.

Groninger & Co. Expand

SEATTLE, WASH., Feb. 3.—Groninger & Co., Seattle general agency, has expanded its service to cover Oregon and Idaho, in addition to Washington and has been appointed to represent the Minneapolis Fire & Marine for the three states. President W. C. Leach was in Seattle to complete arrangements. That company was formerly represented by the United General Agency of Seattle. Other companies in the general agency are City of New York, Homeland, Independence Underwriters, Potomac and General Accident.

Coast Notes

CHEHALIS, Wash., has entered the inter-chamber fire waste contest conducted by the National Fire Waste Council.

The Western General Agency Company, headed by Jay Rogers, son of James Rogers, well-known in insurance circles there, is a new Salt Lake City agency, with offices in the McIntyre building.

Retiring Chief



H. B. SPEER, Seattle, Wash.

H. B. Speer of Seattle, special agent of the Atlas Assurance, presided this week over the annual meeting of the Fire Underwriters Association of the Pacific at San Francisco. Mr. Speer is a native of Davenport, Ia., and went to the Pacific Coast in 1909, locating at Albany, Ore. He graduated from the University of Washington. He entered the insurance business in Seattle and later was connected with a local agency in Spokane and Wenatchee, Wash. He became special agent of the Atlas in 1925 and for the last five years he has had charge of western Washington...

GENERAL AMERICA COMPANIES

H. K. DENT, President

Financial Statement December 31, 1931
HOME OFFICE—SEATTLE, WASHINGTON

E. W. HALL, Executive Vice-President

	General Insurance Company of America	First National Insurance Company of America	General Casualty Company of America
GROSS ASSETS			
Cash in Banks and on Hand	\$ 538,190.28	\$ 439,290.80	\$ 112,224.88
Bonds	3,053,140.16	2,220,932.32	1,914,445.68
Stocks	671,630.00	314,005.28	120,805.00
Mortgage Loans	499,498.63		50,000.00
Premiums in Process of Collection	651,719.22	300,005.89	174,310.54
Accrued Interest	60,815.46	32,195.93	29,919.50
Miscellaneous Assets	72,380.94	18,637.01	15,788.84
TOTAL	\$5,546,774.09	\$3,325,067.23	\$2,417,497.84
Deduct Non-Admitted Assets	215,661.50	18,637.01	15,788.84
Admitted Assets	\$5,331,112.59	\$3,306,430.22	\$2,401,709.00
LIABILITIES			
Reserve for Unearned Premiums	\$1,814,557.91	\$ 982,232.73	\$ 677,459.38
Reserve for Losses	306,495.19	193,573.71	417,749.22
Reserve for Commissions, Taxes, etc.	208,928.84	70,074.35	65,359.42
Funds Held Under Reinsurance Treaties	227,458.44	138,818.78	24,925.48
Reserve for Dividends to Policyholders	205,000.00	\$1,384,699.57	\$1,185,493.50
Capital	\$1,000,000.00	\$1,000,000.00	\$ 500,000.00
*Surplus	1,566,672.21	921,730.65	716,215.50
*Surplus as Regards Policyholders		2,566,672.21	1,216,215.50
TOTAL LIABILITIES	\$5,331,112.59	\$3,306,430.22	\$2,401,709.00
<small>*Including amounts required to adjust security values from basis fixed by National Convention of Insurance Commissioners to actual market December 31, 1931.</small>	\$ 292,719.16	\$ 420,467.60	\$ 164,689.88

Eastern States Activities

Western N. Y. Regional Meet

T. L. Rogers, Head of the State Association, Is Among Speakers at Rochester Gathering

The mid-winter regional convention for western New York of the New York State Association of Local Agents is being held in Rochester Friday of this week. Speakers include R. B. Woodward of the Rochester chamber of commerce; L. L. Saunders, executive secretary Insurance Federation; T. L. Rogers, president state association; A. C. Deisseroth, chairman membership state association; F. L. Greeno, past presi-

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LOSSES PAID SINCE ORGANIZATION \$73,088,808

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

dent Rochester board; Albert Dodge, councillor New York association; W. H. Lucas, president Genesee association; R. J. Tierney, Rochester; J. W. Rose, president Buffalo association, and David Miller, president Associated Insurers. Wellington Potter is general chairman of the committee on arrangements.

Associated Insurers Elect

GENEVA, N. Y., Feb. 3.—At the annual meeting here of the Associated Insurers of Ontario, Yates, Seneca and Wayne counties, David Miller of Penn Yan was elected president succeeding W. M. Fink of Geneva; August Sackett, Canandaigua, vice-president; James D. Turner, Dundee, secretary, and Miss Mary Sweeney, Geneva, treasurer.

Qualification Prospects Bright

NEWARK, Feb. 3.—Fire and casualty agents in all part of New Jersey are confident that the agents and brokers qualification bill will go through the legislature this time. The company opposition which practically defeated the bill last year has disappeared. The bill is very similar to that in Pennsylvania but not quite so strenuous.

Plainfield Association Elects

PLAINFIELD, N. J., Feb. 3.—George M. Clarke has been elected head of the Plainfield Association of Underwriters. Other officers are: First vice-president, Clarence Brouard; second vice-president, Alfred W. Day; secretary-treasurer, Leslie Slocum.

Recommendations for Elmira

The National Fire Protection Association engineers in reporting on Elmira, N. Y., recommend strengthening the man-power of the fire department, additional inspection work, revision of the

building code and increased protection of substandard buildings in the congested district.

New Policies Effective

An agent, notified by his companies to cancel, has authority to waive for the assured the five-day cancellation period and immediately write new policies in other companies. This principle was cited by the court of appeals of New York state in Rose Inn Corporation vs. National Union, et al. The loss occurred before the assured had received the notice of cancellation and the new policies. The court held that the old policies had been canceled and the new ones were effective.

Philadelphia Bowling League

The General Accident team won the championship of the Philadelphia Insurance Bowling League for the first half of the season. This team was four games ahead of the Travelers. The Franklin Fire was third, just one game behind the Travelers. The General Accident won the trophy last year. It lived up to its reputation by winning 41 and losing 15 games for the first half of the season.

A. B. Scott of the winning team carried off individual honors, his average being 197, high single game with 267, and high three games with 701.

Eastern Notes

Mr. and Mrs. George A. Bell of Newark are being congratulated on the birth of a son. Mr. Bell is chief examiner for the eastern department of the American of Newark group.

E. E. Demarest, who has been in the agency department of the Great American for several years, has resigned and entered the general insurance field for himself in Newark.

IN THE CANADIAN FIELD

Canadian Valuation List Out

Insurance Department Issues Data for Convenience of Companies in Preparing Annual Statements

TORONTO, Feb. 3.—The Canadian insurance department's official list of securities held by insurance, loan and trust companies in Canada as of Dec. 31, 1931, with valuations allowed by the department, has just been issued. It is compiled for the convenience of insurance, loan and trust companies in preparing their annual statements.

Values Authorized

The values authorized are: "1. For bonds and debentures: (a) held on Dec. 31, 1930, and not since disposed of and not in default or intrinsically depreciated since the said date, the market values as at Dec. 31, 1930; (b) acquired since Dec. 31, 1930, and not in default, the book values as at Dec. 31, 1931; (c) other than those mentioned in (a) and (b) above, the market values as at Dec. 31, 1931.

"2. For preferred and common stocks: (a) held on June 30, 1931, and not since disposed of, the market values as at the said date; (b) acquired since June 30, 1931, the book values as at Dec. 31, 1931."

Corroon & Reynolds New Lineup

MONTREAL, Feb. 3.—Corroon & Reynolds of Canada have been appointed Canadian managers of the American Equitable of New York, succeeding J. E. Clement, Inc. Jacques Marchand is Canadian manager of Corroon & Reynolds. Besides the American Equitable, the firm also has charge of Canadian business of the New York Fire, Mer-

chants & Manufacturers Fire and Republic Fire.

Canadian Notes

The Lumbermen's Mutual Fire of Boston has been licensed in Ontario.

C. B. Jarvis & Son, St. John, N. B., have been appointed general agents for the Legal & General for New Brunswick.

The Camden Fire has appointed Whyte, McPherson & Butler of Edmonton as general agents for the fire branch in Alberta.

The Homestead Fire has appointed Jas. A. MacKinnon of Edmonton, as general agent for Alberta for both fire and automobile business.

Motor Insurance Events

New Collision Form Is Seen

America Fore Predicts Early Adoption of Merit Rating Plan for Coverage

The America Fore predicts that a new plan devised to interest the average car owner in carrying insurance against collision will be put out in the near future. Objections of insurance departments and rating bureaus must be overcome first, according to the America Fore.

The proposed form would extend protection against serious accidents in full, but would eliminate any minor claims by classifying them as wear and tear up to a specified amount which will vary with the make and cost of the car. Any claim calls for payment of an additional premium, and should no claim be pre-

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U. S.—Statement December 31, 1930

ASSETS	\$13,257,460.31
PREMIUM RESERVE	2,265,563.71
OTHER LIABILITIES	816,124.97
NET SURPLUS	10,175,771.43

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sented during the year a credit would be allowed on renewal.

The America Fore states that attempt has been made to sell collision insurance to accident free motorists by eliminating indemnity for wear and tear. Deductible policies are in use and in the past franchise clauses were incorporated, eliminating minor claims although paying the full amount of any serious damage. However, the America Fore points out, no workable plan for merit or experience rating on collision has yet been tried.

Issuance of such a collision form at

Today

Buyers of insurance are demanding the best. Realizing this the Twin City Fire has developed until it is able to serve them completely and satisfactorily in all their insurance problems.

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INCORPORATED 1905

the present time, other observers feel, might complicate the all-risk auto policy which is now in use in the east.

Augusta Club in Insurance

AUGUSTA, GA., Feb. 3.—The Augusta Automobile Club, local unit of the "AAA," has entered the insurance business with the idea of writing fire, theft and liability coverages on its members' cars. The secretary will act as agent for the Lumbermen's Mutual Casualty. No insurance agent is on the board of directors of the club and only three are members.

Ultimatum to American Mutual

ST. LOUIS, Feb. 3.—Superintendent Thompson has given the American Mutual Automobile of Jefferson City to Feb. 5 to "reinsure or refinance." If it does not satisfactorily comply with

the superintendent's order by the date fixed its license will be cancelled.

On Dec. 15 the Missouri department suspended the company's license and Mr. Thompson directed it to stop writing new business until satisfactory readjustment in finances and organization was made. He has received reports, however, that it has continued to write business since its license was suspended.

Coast Company Changes Name

The West American Commercial of Los Angeles, has changed its name to the West American. The company was organized several years ago through the merging of the West American and the Commercial, both automobile dealers' companies.

The George H. Hugo agency, Bridgeport, Conn., has been incorporated by Mr. Hugo, Marion Silverstone and Edna Evans.

Adjustment Reform Goal Is Outlined by G. W. Lilly

(CONTINUED FROM PAGE 5)

adjustment of a loss," he said, "there should be no diversity of interests nor conflict of rights; all is clearly defined and what is proper and complete for one is adequate response to the needs of all others."

The bureau's program will be greatly aided, he said, if the field men cultivate a knowledge and understanding of the adjustment business. Special agents should have a first hand knowledge of qualifications of the adjusters in their field. Assignments should be made to men and institutions of proper qualification. The bureau should be consulted as to persons or subjects that are believed to be working to the disadvantage of the business.

Men in the field should devote at least equal thought and energy to their disbursements as to their income. There is no distinction between a \$50 premium and the avoidance of a \$50 overpayment of loss, he said. Indeed, the \$50 saving is 100 percent velvet, whereas the \$50 premium carries with it a liability.

Uniform Agency Contract Adopted at Detroit Meeting

(CONTINUED FROM PAGE 3)

tee, and Walter H. Bennett, New York, secretary-general counsel.

Representing the Western Underwriters Association were Raymond Waldron, Detroit, and B. L. Hewitt, Lansing, manager western department Boston, R. P. Barbour, New York, United States manager Northern Assurance, represented the Eastern Underwriters Association and John W. Clarke, Atlanta, secretary America Fore and southern manager, represented the Southeastern Underwriters Association.

Ohio Blue Goose Celebrates at Silver Jubilee Banquet

(CONTINUED FROM PAGE 8)

John R. Cashel, Providence Washington.

Ohio has now 352 members, it being fourth in numerical order, San Francisco being first, Illinois second, Michigan third.

Grand Wielder of the Goose Quill C. P. Helliwell of Milwaukee, who was on his return trip from a conference with Most Loyal Grand Gander Fellers at Jacksonville, Fla., was present to represent the grand nest, and also presented the anniversary buttons to the charter members who were present.

J. H. Burlingame, Jr., of Cincinnati, manager Western Adjustment, is most loyal gander in Ohio and had charge of the business part of the affair. G. W. Graham, Jr., New York Underwriters, on behalf of the Cincinnati puddle, presented the Ohio pond with a gavel made from the wood of the origi-

nal meeting place of the Blue Goose at Green Lake, Wis., the spot where it came into being. Ralph Richman, THE NATIONAL UNDERWRITER, conceived the idea of having some gavels made from wood from the old casino where the order had its birth. That building was torn down recently.

Features of the Program

C. M. Cartwright acted as master of ceremonies at the banquet. B. F. Flood, Ohio Inspection Bureau, Ohio wielder, gave some historical sketches of the early days of the Ohio Blue Goose. Photos of deceased charter members were thrown on the screen, Clark Morgan, State of Pennsylvania, giving a brief sketch of each, and F. O. Evertz, Ohio Inspection Bureau, acting as the mechanician.

Following the banquet some goslings were inaugurated, H. H. Chittenden, Home of New York and H. R. Underwood, Providence Washington, having charge of the ritual work. The Ohio pond is distinguished in many ways and has always been a leader. Mr. Hecox was the first most loyal gander in Ohio; L. W. Bort, supervisor; N. C. Rowland, custodian; John R. Martin, guardian; M. F. Grim, keeper golden goose egg, and A. F. McCormack, wielder. Wielder McCormack died before serving any of his term in office and Fred W. Ransom was elected to succeed him.

The charter members in Ohio were as follows:

List of Charter Members

J. R. Balsmeyer	John R. Martin
C. F. Barnard	H. B. Matt
D. P. Barrett	Charles E. Monroe
Geo. H. Bell	*Wm. Monroe
*L. W. Bort	John G. Monroe
Herbert M. Brooks	*R. B. Moore
*I. W. Canfield	Stuart Morgan
*J. H. Clinton	*F. F. Murray
*A. W. Cox	*Jno. M. Neuburger
*W. C. Daniel	*P. E. Norris
C. T. Deatrick, Sr.	*J. M. Norris
George Diebold	J. Harvey Patterson
John Dreihns	Fred W. Ransom
B. T. Duffey	Robt. L. Raynolds
*W. B. Durand	N. C. Rowland
J. O. Dye	W. A. Sawyer
W. T. Eaton	T. B. Sellers
W. B. Goodwin	W. G. Shannon
M. F. Grim	J. P. Singleton
*R. W. Grim	*A. C. Speed
C. L. Hecox	*D. M. Tanner
R. T. Huggard	E. B. Underhill
D. W. Iddings	*W. O. Vandervoort
A. W. Jones	John G. Wetzel
*E. A. Keeler	Clark O. Wood
D. E. Latimer	*Cyrus Woodbury
L. A. Lentz	Geo. A. Yunker
W. H. McGervay	*Deceased.

Oil Association to Hold Annual Meeting in Chicago

The annual meeting of the Oil Insurance Association will be held in the Chicago Board rooms the morning of Feb. 11. Premiums in 1931 are said to have been somewhat lower owing to conditions in the oil business. However, the association did not have any serious losses although there were some bad losses suffered by oil companies in the east and California.



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Frank A. Sucha, Omaha Fred L. Burke, North Platte
John N. Highie, Omaha Ray W. Harr, McCook

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Two Departments Are Now Combined

(CONTINUED FROM PAGE 5)

V. Robinson is an expert in lake and ocean marine and Mr. Brayley looks after ocean marine particularly. Mr. Egbert has charge of the fire underwriting and Mr. Melville of the marine. These men are well trained in their special lines and have had a long experience. The North America office in the west is particularly well manned and this new arrangement makes the organization more compact and coordinated.

Marine Service Offices

Marine service offices have been established in the Buhl building at Detroit under G. F. Richardson; Union Trust building in Cleveland with H. H. Howarth; Mercantile Library building at Cincinnati under Salem Hyde; Pierce building at St. Louis with J. R. Tober; National Security building at Omaha under R. E. Weadock. There are marine special agents traveling out of Minneapolis and Milwaukee looking after the agents in their fields. All of the men in charge of these marine service offices are thoroughly competent and are marine specialists. Agents in the various states will report direct to these offices, all being closely connected with the fire field force headquarters.

In order that the fire field men might be better acquainted with marine underwriting and service, they have taken special courses in marine work and therefore have a practical knowledge of its scope and functions. With the marine service offices conveniently located, the agents have full facilities to handle this important branch of the business satisfactory to their customers.

Closer Casualty, Fire Union Seen

(CONTINUED FROM PAGE 5)

In multiple line fleets, the parent company usually owns the majority of the stock of the casualty company. That should help insure coordination, he said.

The demand for combination automobile policies calls for greater coordination. There is no reason, he said, why the same set of examiners cannot check fire and casualty daily reports in the automobile lines. Casualty claim departments should be able to handle fire company automobile losses. Joint accounting systems should be set up to handle the accounts and balances of all the automobile business.

Likewise there is a demand for a combination golfer's policy and an all-in-one residence policy.

There is an attempt in all multiple line organizations on the part of the casualty company to reach the sources of business of the fire company and vice versa. There can be joint handling of mail and supplies. Advertising, statistical and accounting work can be consolidated.

Casualty More Varied

The casualty business has not been decentralized into departmental jurisdiction, he said, because such definite rules of procedure do not obtain in casualty as in fire and casualty is much more varied than fire.

Mr. Lichtenstein said that the casualty companies have contributed much to the business by their so-called service offices, which do not handle business for agents and brokers. They become headquarters for special agents, both fire and casualty, and have helped to remove the special agent from the character of an itinerant. They form a valuable link in the relationship of the departmental office and the agent, and have provided one of the best means for coordination of fire and casualty business.

Casualty companies, he pointed out, have much greater contact with producers and assureds than fire companies. Casualty endorsements are more fre-

quent, as are claims. The pay-roll auditor meets the agent and gets to the inner office of the assured. There are periodical visits by the safety engineer. This multiplicity of contact builds up the closest of personal relationships.

Fire Risk Divisible

One difference is that agents represent several fire companies but usually only one casualty company. That is true partly because many fire risks are divisible, whereas most casualty risks are not. Therefore, casualty affiliation is often more valuable to the agent than his fire connection and a casualty affiliation becomes valuable to a fire company.

There are coming into being insurance men with a practical grasp of all lines. Mr. Lichtenstein said that they do not have to be supermen, but only need a good practical working knowledge. From the insurance courses of universities are coming young men with a sound theoretical understanding of the various lines.

McCain Reelected Chairman of I. U. B. Governing Board

(CONTINUED FROM PAGE 4)

ness as a whole Mr. McCain stated that:

"First of all the I. U. B. was set up to define the line of demarcation between the fire and marine companies, whether as separate companies or as departments of the same company."

"Second: The I. U. B. is policing the business of those companies writing reporting covers. It sees that the rules are complied with, that the proper rates are secured and thus prevents improper and unfair competition."

"Third: The I. U. B. has set up for the use of the membership a machinery by which any member can write reporting covers at a moment's notice. There is at hand rates, forms, stamping office facilities and all the other information and advice for handling this difficult and important class. By the setting up of this machinery many lines which formerly were written in one company are divided between a number of companies. A small company is given an opportunity to write a percentage of the line and is doing so. It is not necessary to have the entire line in one company to conceal the location of the cover and to hide an incorrect rate or form. Even the smallest company can at a moment's notice furnish the facility for reporting companies to an agent and can know that he can handle the line promptly and satisfactorily. This ability to take care of this business places the member companies in a favorable light with their agents and prevents the larger companies writing the class from taking advantage of them in the agency and from demanding other business as a consideration for the writing of it."

Business Written Correctly

"Fourth: The I. U. B. by its existence assures to a large number of big business men that they are getting their business written under correct form and conditions and at rates which are fair and reasonable and not subject to any great competitive reduction."

"Fifth: The I. U. B. has and is doing an important work in preventing the writing of ineligible classes of risks and in forcing these lines back into the proper channels. The member companies probably do not appreciate the number of these lines which remain on their books which, were it not for the I. U. B. would be lost by them, either to non-association companies or to members of these organizations who feel the need of meeting competition."

Miscellaneous Notes

The Oklahoma Fire Prevention Association will inspect Elk City Jan. 28, on invitation of the Elk City chamber of commerce.

T. E. Atchison, former claims manager with the Eureka Casualty and more recently liability adjuster for Lloyds Casualty, has joined the staff of W. E. Griffith, San Francisco adjuster.

REED'S new book, "Adjustment of Fire Losses," is a comprehensive account of the methods to be followed in the adjusters work from start to finish. Single copy \$4. Order from The National Underwriter.

CONTINENTAL COMPANIES

General Offices, Chicago, Illinois
December 31, 1931

CONTINENTAL CASUALTY COMPANY

ASSETS	
Cash	\$ 1,067,114.51
United States Government Obligations	1,246,811.74
Other Public Bonds	2,037,542.80
Railroad, Public Utility, Industrial and Miscellaneous Bonds	6,656,141.25
Guaranteed and Preferred Stocks	2,616,453.94
Other Stocks	2,726,031.63
Mortgage Loans	1,190,269.68
Real Estate	1,003,138.01
Premiums in Course of Collection and Transit	3,483,140.25
Accrued Interest	228,140.66
Other Assets	123,048.32
Total	\$22,377,832.79

LIABILITIES

Unearned Premium Reserve	\$ 7,872,115.74
Pending Claim Reserve	6,221,186.96
Miscellaneous Liabilities	1,431,709.73
Contingent Reserve Fund	800,000.00*
Capital	3,500,000.00
Surplus	2,552,820.36
Total	\$22,377,832.79

Net Premiums Written in 1931 .. \$15,641,177.29

*Contingent Reserve Fund is more than adequate to allow for the difference between the security values as officially adopted by the National Convention of Insurance Commissioners and the values as determined by the State of Connecticut.

CONTINENTAL ASSURANCE COMPANY

ASSETS	
Cash	\$ 315,303.06
United States Government Obligations	337,383.50*
Other Public Bonds	1,348,087.13*
Railroad, Public Utility, Industrial and Miscellaneous Bonds	3,215,578.65*
Guaranteed and Preferred Stocks	1,480,151.79*
Other Stocks	56,106.00*
Policy Loans	2,273,346.33
Mortgage Loans	5,935,571.66
Real Estate	743,859.66
Net Deferred and Uncollected Premiums	759,014.21
Accrued Interest	309,262.56
Other Assets	85,794.66
Total	\$16,859,459.21

LIABILITIES

Policy Reserves	\$12,624,029.21
Pending Claim Reserve	526,953.22
Premiums Paid in Advance	35,614.71
Miscellaneous Liabilities	163,203.82
Contingent Reserve Fund	230,000.00
Capital	1,000,000.00
Surplus	2,279,658.25
Total	\$16,859,459.21

Insurance in Force ("paid for" basis)
\$151,929,722.00

*Values are those officially adopted by the National Convention of Insurance Commissioners for December 31, 1931 statements except for bonds which are on amortized basis.

The Continental Year Book discloses in greater detail the Companies' operations and financial structure. It will be furnished upon request.

COMBINED COMPARATIVE STATEMENT

Year	Admitted Assets	Net Premium Income	Life Insurance in Force	Capital and Surplus
1922	\$12,156,848.81	\$12,337,247.64	\$ 30,162,253.00	\$ 2,920,325.78
1923	15,339,429.11	13,685,740.22	40,878,550.00	4,010,632.71
1924	16,878,135.49	13,832,051.25	52,624,204.00	4,093,602.96
1925	19,313,357.32	15,070,802.53	66,399,683.00	4,150,213.47
1926	22,359,221.00	15,593,395.76	80,552,504.00	5,213,468.52
1927	28,461,628.97	17,508,704.85	100,838,767.00	7,824,922.85
1928	33,354,524.53	18,677,753.35	114,350,277.00	9,745,155.89
1929	36,472,258.08	20,253,060.98	129,237,215.00	10,250,000.00
1930	38,003,419.19	19,976,064.60	145,885,151.00	10,250,000.00
1931	39,237,292.00	19,564,618.35	151,929,722.00	9,332,478.61

The National Underwriter

February 4, 1932

CASUALTY AND SURETY SECTION

Page Thirty-three

Liability Rates Are Still Titled Low

National Casualty Bureau Analyzes Promulgation Showing Deficiencies

BULLETINS TO MEMBERS

Cites Scales in New York, Ohio, Michigan and South Carolina to Prove Boost Reasonable

NEW YORK, Feb. 3.—The National Bureau of Casualty & Surety Underwriters has issued bulletins for New York, Ohio, Michigan and South Carolina, showing how the new increased automobile liability rates were computed and demonstrating that the increases, although substantial in many cases, are not sufficient to cover expected losses even if they are no worse than those of the years on which the loss experience is computed.

Discrepancies Remain

In Ohio, for example, a comparison of the average loss costs underlying the present rates with the average loss cost for policy years 1929 and 1930, shows clearly the necessity for rate increases in some territories. Present rates for Youngstown, O., provide only \$33.42 per car to meet the loss cost while experience requires \$44.49.

In Warren and Niles the average loss cost underlying the rates which have been in effect is \$20.39 as compared with the average loss cost of \$31.84 required by experience. On the other hand, present rates for Akron provide \$22.43 percent to meet loss costs while the experience requires only \$20.23 per car, and the rates in this territory have been adjusted accordingly.

Experience Unfavorable

The average loss cost per car provided by the new rates for the entire state of Ohio is \$17.85 as compared with \$18.03 required by experience and \$17.22 provided by the present rates. The experience for commercial public liability in the state has been even more unfavorable.

However, the bulletin points out that the final level of rates is not as high as the level required by the commercial car experience for the entire state. Rates for property damage insurance have been revised in only one territory, Warren and Niles.

Rate Increases Needed

In Michigan a comparison between average loss costs underlying present rates and the average loss costs for the policy years 1929 and 1930 discloses the necessity for rate increases in all territories except Detroit. The combination of rural territory with small cities is required by the experience, which shows for rural territory alone an average loss cost, including the 5 percent factor for expected loss increases, of \$13.62 as

Top Commissions Are Cut on "Comp" to 15 Per Cent

NEW YORK, Feb. 3.—The insistence of the commissioners of Georgia and Minnesota that 2½ percent reduction be made from the expense loading in the recently granted workmen's compensation rate increases in their respective states has compelled the carriers to reduce top commissions in both states to 15 percent. The revised schedule is in effect in Georgia and becomes so in Minnesota March 1.

When Commissioner Harrison of Georgia conditioned his approval of an increase of 10.8 percent on compensation rates in the state upon a 2½ percent curtailment in agents' commissions, later modifying the requirement under protest of the field men by stating that the saving was to come from "acquisition costs," which embraces other elements than commissions, a close searching of the general expense problem was made by company officials.

compared with the indication of \$12.12 for the combination.

The average loss costs contemplated by the revised rates are: Detroit, \$14.73; entire state except Detroit, \$11.94. The average loss cost per car provided by the new rates for the entire state is \$12.67 as compared with \$12.68 required by experience and \$12.08 provided by the present rates.

The reduction of the excess limits rate by 25 percent reflects the more favorable experience as contrasted with standard limits policies.

In New York state a comparison of the average loss costs underlying the present rates with the average loss costs for 1929 and 1930 also shows the necessity for certain rate increases. For example the present rates for Schenectady provide only \$37.18 to meet the loss cost while the experience requires \$45.23. The new rate provides an average loss cost of only \$39.76. In Utica the average loss cost underlying the rates which have been in effect is \$25.35 as compared with \$35.70 required by experience and \$32.66 contemplated by the revised rates.

Excess Limits Experience

The average loss cost per car provided by the new rates for the entire state is \$30.57 as compared with \$27.71 underlying the present rates and \$30.92 required by experience.

It was felt necessary to hold back part of the increase in various territories, notably Albany, Schenectady and Utica, in order to avoid the violent rate changes in these territories that would otherwise be required. The rates for excess limits, as in Michigan, have been reduced 25 percent.

In South Carolina the average loss cost for private cars insured for public liability during 1929 was \$13.65 and in 1930, \$11.79, showing an average, including the 5 percent factor for expected increases, of \$13.36. The rates that have been in effect in the territory provided an average loss cost per car of only \$10.87 as compared with \$13.07 provided by the new rates. Rates for excess liability limits have been cut

Their conclusion was that there was no other factor which would stand shaving, every element having been pared to the last possible degree, and hence the saving would have to come from commissions.

Commissioner Brown, while not making it a condition of his approval of the rate advance in Minnesota, offered that a saving of 2½ percent in acquisition cost might be arrived at by deducting 1.75 percent from agents' commissions and .75 percent from other items.

Local agents have protested the intended reduction in the commission scale, though officials point out that, assuming the volume of compensation business in the two states continues about normal, the net return to the agents by virtue of the sanctioned rate increases should equal the former return even after allowing for the 2½ percent reduction.

25 percent on the basis of the experience.

The South Carolina bulletin calls attention to an error which has just been noted in the rates for private passenger public liability insurance in Charleston, S. C. The rates for W, X and Y cars should be \$25, \$28 and \$37 respectively, the same as have been in effect in the territory, instead of \$29, \$31 and \$42 as shown on the rate pages.

Revised rate pages showing the correct rates for private passenger public liability insurance in Charleston, S. C., will be distributed as soon as possible.

Cost Conferences Making Some Progress in Meetings

NEW YORK, Feb. 3.—Since the memorable gathering Jan. 22 when Insurance Superintendent Van Schaick told casualty and security company executives courteously but firmly to put their houses in order as to business-getting costs, not later than Feb. 15, a series of meetings has been held by members of both the fidelity and surety and the casualty acquisition cost conferences. Additional gatherings are scheduled to take place within the next few days. All that can be said is that "some progress" has been made.

The surety men, it is understood, have agreed as to the number and grade of agents each company may name in the Empire State, leaving to the individual managements the designation as to where such representatives will be located.

Under former rules locations were specified, a requirement that did not apply to a number of the companies, and hence its modification was easy of accomplishment. Further sessions will be held by each of the conference bodies and will be followed by a joint session of members of both the casualty and surety associations in a final effort to agree upon a program that will not only be acceptable to the interests involved

(CONTINUED ON PAGE 42)

Drastic Changes in Group Are Up

Conference to Consider Disability Proposals at New York Meeting Feb. 16

DIFFERENCES OF OPINION

Experience Has Grown Steadily Worse During Depression—Public Is Claim-conscious

NEW YORK, Feb. 3.—Group disability experience has been growing steadily worse in spite of modifications made a year ago and efforts will be made to effect drastic curtailments at the group conference meeting scheduled for Feb. 16. No one is willing to predict what the outcome will be, however, as there is considerable difference of opinion as to what should be done and whatever decision is reached has to be practically unanimous.

An entirely new disability plan has been prepared and will be proposed at the meeting. Obviously no predictions can be made as to whether it will be adopted, but it indicates the importance of the problem and the wide range of possible decisions that may result from the conference.

Limitation Proposed

Depressed business conditions have added to group disability troubles, but even without them it is likely that changes would be called for. Much of the bad experience has arisen from the constantly increasing number of workers who realize just what they can make out of disability insurance.

Efforts will be made to confine group disability to an arrangement which would keep the worker who has had to quit his job because of sickness from losing the benefits of his group life policy but which would stop the losses that have been taking place even under the revisions that have been in effect during the last year.

The importance of having an adequate provision for the former contingency is well recognized as otherwise it would be almost necessary for a worker to drop dead at work in order for his family to collect his group life insurance. It is possible that some sort of waiver of premium plan may be worked out.

Period Short at First

Three important changes were made at last year's meeting. The ruling which provided that employees must be in service at least a year before being eligible for group disability averted many claims from those who were being put on the payroll by kind-hearted employers just so they might draw disability when the previous short waiting period had expired. This waiting period was originally six months but some com-

(CONTINUED ON PAGE 42)

Overinsurance Plays Part in Big Robbery Loss Ratio

UNDERWRITERS ARE ON GUARD.

Chicago Club Sees Danger in Loose Acceptances Because of Hoarding Cash in Stores

Burglary underwriters of Chicago are much concerned over the situation respecting interior office and store robbery cover. Experience in Chicago under this form for the five years 1926-1930, inclusive, show an average loss ratio of 81 percent. The closing of many banks in the territory has caused many storekeepers to carry large sums of cash in their store vaults or safes, and this has been a "setup" for burglars and holdup men.

Overinsurance Prevalent

There has been a strong tendency in Chicago to get overinsurance, the result of which is that storekeepers have permitted cash collections to accumulate for several days, since they were covered, and when losses have occurred these have been more than necessarily large.

A determined policy to hold insurance down was reflected in a discussion at the February meeting of the Burglary Underwriters Club of Chicago. It is thought if say only \$250 cover were granted in place of \$1,000, the storekeepers would be more careful to bank daily. Some requests have come for cover on cash in vaults or strongboxes where daily receipts actually were never being banked. Entirely too many storekeepers are being found who have completely lost faith in their banks and are keeping all their money on the premises. Underwriters find this an extremely hazardous practice which they are unwilling to condone by affording protection for it.

Loss Ratios High

The loss ratio on interior office and store robbery insurance in 1926 was 93 percent and the same figures the next year. In 1928 it was 89 percent; in 1929, 59 percent, and in 1930, 71 percent. This was for all companies reported by the National Bureau of Casualty & Surety Underwriters. Loss frequency rose from 26.9 in 1926 to 32.6 in 1927, 30.4 in 1928, 34.6 in 1929 and 46.5 in 1930.

Figures were given for all of Illinois for the same years, showing loss ratios respectively 80 percent, 80, 81, 57, and 68 for these five years, with corresponding frequencies, 21.6, 25.1, 24.6, 29.7, and 41.2. The premiums were \$306,309, \$368,058, \$425,279, \$452,076 and \$198,447 for these five years.

Losses on Increase

The number of losses in each of the five years was: 1926, 632; 1927, 766; 1928, 765; 1929, 979, and 1930, 575; with total amount of written insurance, for the entire state for the five years, \$151,714,296, and on an earned basis, \$137,764,160.

The amendment approved in principle by members a month ago, to open the rolls to representatives of companies reporting on moral character or financial status, as well as those representing companies actually writing burglary insurance, was read by President H. P. Schewe, but due to lack of the necessary majority, was passed over for formal approval at a later meeting.

Ruling on Illinois Licenses

The Illinois attorney general has held that under the new Illinois agent's qualification act one certificate is sufficient for each agent to represent a company licensed to do both casualty and surety business. Heretofore separate licenses have been required, even when the classes were written by the same company.

New President



W. E. MCKELL

W. E. MCKELL, who becomes president of the New York Casualty after having served as vice-president, executive vice-president and first vice-president, started with the American Surety 23 years ago in the Salt Lake City office. He was formerly speaker of the house of representatives of Utah. He went to New York six years ago as vice-president of the American Surety in charge of production. He continues as an American Surety vice-president.

Ohio License Controversy Complicated by Injunction

COLUMBUS, O., Feb. 3.—T. M. Geoghegan, for himself and other licensed agents has obtained a temporary injunction restraining the Ohio insurance superintendent from issuing licenses to domestic casualty company agents who do not meet the same tests required of those licensed to represent companies of other states. The writ was secured in Judge King's court at Columbus. Arguments will be heard in Judge Scarlett's court within the next week.

The injunction was obtained to prevent the practice of the Ohio Motorists Mutual, which is making selling connections through automobile clubs and is the sequence of Attorney-General Bateman's opinion that domestic casualty companies are not subject to the agency licensing laws applicable to other classes of companies.

R. S. Powers of the attorney-general's office represents the state; Russell Knepper and John Vorys represent the Insurance Protective League of Ohio, which is sponsoring the legal proceedings.

The arguments being presented to the courts are the same used in the hearings held when the attorney-general was considering the case.

Move for Qualification Law

DENVER, Feb. 3.—The enactment of an agents qualification law was urged at the meeting of the Denver Association of Insurance Agents by Herbert Fairall.

Mr. Fairall favors a law which would permit the issue of licenses only to men qualified to render efficient insurance service to the assured, and said state licenses are being issued in great numbers without regard to the applicant's ability to advise the assured. He reported 67 licenses have been issued for representatives of one company here. Ample time should be taken for consideration of a proposed law, he said, so that a definite program may be decided upon before the next legislature convenes.

Responsibility Law Record for 16 Months Is Recited

FOSTER REPORTS ON ONTARIO

Problem Ahead in Connection With Reciprocal Arrangements Between Other States and Provinces

Superintendent Foster of Ontario reported, in an address before the annual meeting of the Motor Club in Hamilton, Ont., that during the 16 months in which the Ontario financial responsibility law has been in effect, the operator's license and owner's permit of 4,351 motorists of that province had been suspended because of major offenses under the highway traffic act. The licenses of ten Ontario motorists were suspended because of conviction for offenses in other states and provinces.

The licenses of 41 Ontario motorists have been suspended because of failure to pay a final civil judgment arising out of a motor vehicle accident. No Ontario motorist has suffered suspension because of failure to pay civil judgment or to pay such civil judgments in other states and provinces. Threat of a judgment creditor's solicitor to report the failure of the judgment debtor to pay is usually sufficient to force a prompt settlement, Mr. Foster believes.

All Use Insurance

Of the 4,351 motorists who lost their driving privileges, 1,642 regained them by filing a certificate that there has been issued to them automobile liability policies. No motorists have qualified by depositing cash or securities or a surety bond.

The some 2,500 motorists who have not proved their financial responsibility are "off the road." Only two of the motorists whose licenses were suspended because of failure to pay civil judgment have paid the judgment and proved their financial responsibility. Sixty-five fleet owning employers have proved their financial responsibility for all cars owned by them in order to relieve the suspension of an employee convicted for an offense under the highway traffic act while driving his employer's car.

The law, Mr. Foster recalled, provides for interchange of suspension rulings between provinces and states, arising out of judgments as well as convictions. The Ontario registrar, he said, has sent 393 certificates of conviction of non-resident motorists to authorities in other states and provinces. A smaller number of notifications have been received in return of Ontario motorists convicted in other states and provinces. The figures suggest, he said, that the reciprocal features are not receiving the attention they deserve in other states and provinces. No notifications have been received from other states and provinces of judgments against Ontario motorists, which are unsatisfied.

Unable to Understand the Position of Oklahoma Agents

NEW YORK, Feb. 3.—No little surprise is expressed in burglary insurance circles here over the antagonism shown by some of the Oklahoma agents to the bank robbery rates recently determined upon for their state, inasmuch as the local men had previously been urging a substantial advance on the class, declaring that unless this were done they would be unable to place business with their companies.

The majority were refusing lines at former rates. While the increase determined upon by the companies and effective as of Jan. 11, was practically 100 percent, it was yet less than had originally been urged by the agents. Hence the inability of home office men to understand the present attitude of the Oklahoma representatives.

Consolidated Now Working Out of Bank of U. S. Mess

R. R. RASQUIN MAKES REPORT

President Attaches Much Confidence to Plan of Untermeyer for Liquidation

How the Consolidated Indemnity is working out of its difficulties in connection with the defunct Bank of the United States is recited by President R. R. Rasquin in his report to stockholders. The company's 1931 exhibit was summarized last week, except the loss ratio. Net premiums amounted to \$4,141,972, increase \$296,439; incurred losses were \$3,223,172. The loss ratio on the earned premium basis was 69.9 percent as compared with 73.5 percent in 1930.

At the time of the Bank of the United States failure, the Consolidated Indemnity had \$2,124,831 deposits there. During 1931 dividends totaling 45 percent were paid. Against the remainder of 55 percent, the Consolidated Indemnity has set up a reserve of 20 percent thereof or \$233,685. Mr. Rasquin states that under the Untermeyer plan for liquidation of the Bank of the United States, strong possibilities are that the remaining 55 percent of the original deposit will be paid.

Owned 7,000 Shares

The Consolidated owned 7,000 shares of Bank of the United States. Stockholders' liability of \$175,000 was set up as contingent liability in the 1930 statement, he said. When the first dividend of 30 percent was paid to depositors of the Bank of the United States, Mr. Rasquin reported that the Consolidated Indemnity paid to the superintendent of banks \$175,000, being the stockholders' assessment. However, if it is eventually decided that there will be no assessment upon stockholders, the Consolidated will get back the \$175,000. That amount, therefore, according to Mr. Rasquin, has been included in the accounts receivable item as a contingent asset. It has also been included among the deducted non-admitted assets.

The Consolidated Indemnity, Mr. Rasquin states, has subscribed to \$100,000 stock of the Bank of the United States Liquidation Corporation, in payment, assigning to that corporation \$100,000 of the \$175,000 paid by the Consolidated to the superintendent of banks. When the Untermeyer plan has been completed, Mr. Rasquin predicts that the Consolidated will get back \$75,000 and \$100,000 in stock of the liquidation corporation.

Depository Bond Outcome

Mr. Rasquin reported on the outcome of the bond in the amount of \$1,000,000 covering deposits in the Bank of the United States, in which the Consolidated and 19 co-sureties and reinsurers were interested. The superintendent of banks, he recalled, paid to the State of New York that deposit of \$1,000,000 in full as a preferred claim against the Bank of the United States, thereby discharging the Consolidated and its co-sureties. Three other claims under depository bonds have been paid, he said, and the Consolidated has received 45 percent in dividends upon such claims.

Mr. Rasquin stated: "Perhaps without knowing it, insofar as your company is concerned, as to this particular phase of the business, the closing of the Bank of the United States may have been a blessing in disguise." His point was that if the money on deposit when the Bank of the United States failed had been invested, the depreciation would have been greater than any possible loss of deposit.

The Inter-State Life & Accident has appointed **W. T. Brinson**, former manager of the Gulf States, Mississippi supervisor of agencies.

Companies to Test Kansas Control of P. L., P. D. Rates

TENNESSEE LODGES PROTEST

Kansas Agents Ordered to Charge Higher Tariff Despite Department Action

TOPEKA, Feb. 3.—Initial steps are being taken which may lead to a lawsuit to test the powers of the Kansas department over automobile liability and property damage rates. Commissioner Hobbs has been notified by the National Bureau of Casualty & Surety Underwriters the companies have been advised to instruct their agents to put the new rates for these lines into effect regardless of the order of the department holding the new schedule in abeyance, until the Kansas 1931 experience is available.

No Provision in Law

The law specifically provides for state supervision over fire, hail, tornado and compensation rates, but it makes no specific provision for surety or casualty rates. However, the companies have long filed the schedules with the department and at various times there have been hearings relative to changes in the rates.

If it develops that the department does not have the supervision which it has assumed then the legislature may be expected to have before it measures to give the department that power.

TENNESSEE PROTEST FILED

Increased automobile liability rates and abolition of merit rating have been protested by the National Automobile Club and the Tennessee Motor Association, in filings with Commissioner Reece. The protests state that the highway department and the Tennessee state patrol have brought about reduction in accidents during the last two years. They contend that the loss record does not justify the increased rate and that the higher tariff is likely to discourage motorists from carrying liability coverage. That would be a disastrous result to motorists and individual citizens, the protest declared.

Commissioner Reece said that he lacks power to regulate or control automobile liability rates, but that he will seek an explanation from the companies.

ACTION IN MICHIGAN

The Michigan Association of Insurance Agents is inviting its members to lodge a protest with their individual companies against the increased automobile liability and property damage rates, the agents to request their companies to transmit the protest to the National Bureau of Casualty & Surety Underwriters.

"Owing to present business conditions," the letter from the association to its members states, "we believe it was a very poor time for this increase in rates and feel that at least we should have been given a hearing before they were made effective. We suggest that you review your automobile business and then if you agree with the officers of your association, that you protest very strongly to your casualty companies, asking that they relay the protest to the National bureau in New York."

Claim Loss Ratios Low

The letter states that records at Lansing show the loss ratio to have been less than 50 percent in both 1929 and 1930.

The association resents the fact that the casualty companies did not participate with the fire companies in reducing automobile rates a year ago in order to compete with Michigan specialty companies, mostly mutuals and reciprocals.

Made Chairman



R. HOWARD BLAND

E. Asbury Davis, who has been chairman of the board of the United States Casualty since last September, is elected president. R. Howard Bland, president since 1923, becomes chairman of the board, the two men thus exchanging offices. Mr. Davis was long connected with the old tobacco firm of F. A. Davis & Sons, Baltimore. He is a former president of the Baltimore Association of Commerce and recently retired as a director of the United States Chamber of Commerce. He is a director of the First National Bank of Baltimore. He has been a director of the United States Fidelity & Guaranty since March 21, 1923, a member of the executive committee since 1929. He is a man of strong executive, administrative ability. The problems before casualty and surety companies require men of wide business experience, who have had special training along financial lines.

Mr. Bland was formerly an attorney and entered the United States Fidelity & Guaranty as vice-president and secretary Jan. 1, 1916. He succeeded to the presidency in 1923 following the death of his father, John R. Bland.

Mr. Bland with the new arrangement will undoubtedly give more attention to work in the field. He has a most engaging personality and is very popular with the men out on the firing line. It is hoped by the production end of the company that Mr. Bland will be able now to throw more of his personal influence into field operations.

Depositors' Fund Bill in Wisconsin

MADISON, WIS., Feb. 3.—A bill for creation of a state bank depositors' insurance fund has been introduced in the Wisconsin legislature. The assembly sent it to the joint finance committee, which will pass on its financial features before it is put to a final vote.

The bill provides that any depositor in a banking institution organized and doing business under the laws of Wisconsin may apply to the insurance commissioner for an insurance policy to protect his deposits. If the financial condition of the bank becomes impaired to an extent that the institution must be closed, the state would cover the depositors' losses within 60 days. Premiums on policies would be determined by the commissioner. The state treasurer would be ex-officio treasurer and custodian of the insurance fund.

Today fire agents are constantly in competition with other agents who know the *Denn Schedule System* for measuring fire rates. You should know this system to meet competition. Write for information concerning The National Underwriter booklet, "Business Getting Knowledge."

See Danger in Leaving Cost Control to States

NEW YORK, Feb. 3.—Some of the casualty executives are becoming disheartened over the effort to bring the casualty and surety offices in line so far as regulating acquisition cost is concerned. The position is taken in some quarters that it will be impossible to get officials to agree on a plan and it is very dangerous to appeal to the insurance department to form rules and regulations governing the internal working of companies.

For some time there has been a growing feeling that the question should be looked at from the public standpoint and the public is interested only in keeping expenses within a reasonable limit.

Armstrong Law Successful

The Armstrong law applying to life companies in this state has worked out successfully. The acquisition and expense cost of life insurance is strictly regulated. There is a maximum beyond which companies are not allowed to go. They have a certain amount of their net premiums which can be used in acquisition and expense and that must be adjusted accordingly. There is no attempt to say to a company whether it shall have one general agent in a city or ten. The law merely places a maximum restriction and a company must cut its cloth accordingly.

There are conditions that are varying in different sections of the country. One company probably can operate to greater advantage and with more profit in certain sections or cities and it is willing to spend more to get business than it is in the less desirable parts.

Some of the officials are beginning to feel that it is a mistake for insurance to decry socialism and state interference and then appeal to the superintendent of insurance to help them out by enforcing rules that are more or less fixed by the companies and apply largely to numerical limitation of different classes of agencies such as general or regional.

Confession of Weakness

If there were a maximum ratio established, then a company would have to study its own situation and work out its own program. The public is interested only in seeing that acquisition cost or expense ratio is not carried too far. When a state department is asked to enforce details as to agency regulation it is a long step towards more stringent supervision. The appeal to the state to help out in matters of this kind is a confession of weakness.

Wants Public Eye on Auto Writing in Massachusetts

Mortensen Asks Companies to Justify Rate Increases

BOSTON, Feb. 3.—The attorney general in his annual report to the legislature recommends that agents and brokers be required to keep books and records of their automobile accounts, to which the commissioner and other officials concerned with administration of the compulsory automobile insurance law may have access.

"The recent collapse of three companies dealing in automobile insurance, requiring receiverships and entailing losses to those insured in them and to injured persons records a pitiful story," he declared. "The activities of the third company more or less succeeded to those of the others. Practices, whether lawful or not, put in hazard that protection against losses purposed by the compulsory insurance law.

"One of these companies acquired a charter of an old Massachusetts mutual company which, by reason of its age, was exempted from the amount now required to be in a company's treasury in paid-in premiums before starting business. Instead of \$100,000 only \$50,000 was required. This is an example of how schemes may be effected 'within the law.' The insured appear to have been passed along from one company to the other with resultant confusion as to which company, if any, carried the supposed coverages.

"Some of the agents and brokers appear to have been identified with more than one company in such manner as to suggest community of enterprise. They appear in some instances to have conducted business by pocket transactions. The victims who suffered most grievous treatment were the taxicab operators of whom, by reason of the nature of their business, it was easiest to take advantage."

United Pacific Promotions

SEATTLE, Feb. 3.—Ralph H. Hall, special agent for the United Pacific Casualty, has been promoted to superintendent of agencies. Donald C. Burnham, superintendent of the claims department since the company's organization in 1929, is given the added title of underwriting manager.

Chance for Tex Guinan Suckers to Perform

NEW YORK, Feb. 3.—A novel advertisement appearing in one of the local daily papers invites any individual or group possessing \$2,000,000 and willing to invest in the creation of a new casualty company in New York state, to correspond with the unnamed advertisers. The latter state they are "outstanding insurance executives" and maintain that "the formation of such a company would be peculiarly opportune at the present time." It is further added that the advertisers are recognized authorities in the field; have qualified as heads of successful casualty companies; control a large volume of premiums and have business contacts throughout the country.

Bond Penalty Is Maximum Protection, Court Decides

CONTRACT NON-CUMULATIVE

Holding of Wisconsin Supreme Court
As to Bankers Blanket Bond
of Importance

A decision of the Wisconsin supreme court to the effect that the maximum protection on one employe under a banker's blanket bond is the penalty of the bond is regarded as of major importance by surety people. The case was Park Falls State Bank vs. Fidelity & Deposit. The question involved is constantly arising and if the decision had gone against the surety company, it would have been almost a disaster.

The total embezzlement of the Park Falls State Bank employe amounted to \$23,000, the amount of his last embezzlement being \$11,000. His coverage was specified as \$7,500. The Fidelity & Deposit paid that amount.

The supreme court held that each year's continuance of the bond constituted a separate contract and rendered

the Fidelity & Deposit liable for all defalcations during that year. The bond must be construed, according to the supreme court, as continuing and non-cumulative, limiting the Fidelity & Deposit's liability to the amount stated in the schedules in connection with the name of the employe. If the bank intended and understood when the bond was executed that it was to be cumulative in its effect, there is no evidence that the Fidelity & Deposit so intended or understood. There is therefore no evidence of any mutual mistake and the mistake of the bank, if there was any, would be one of law in interpreting the effect of the bond.

Surety companies are constantly running up against the contention of assureds that the defalcations of an employe should be pro rated, so to speak. That is, if the penalty of the bond is \$10,000 and the defalcation amounts to \$90,000, and the bond has been in effect for nine years, the assured puts up the argument that the defalcation should be construed to have occurred at the rate of \$10,000 each year and that the insurer is therefore liable for the total amount.

H. E. McLellan of San Francisco, resident vice-president of the Maryland Casualty, stopped in New York en route home from a visit to his company's head office in Baltimore.

Plan Test of Wisconsin Act for Unemployment Insurance

WILL START COURT ACTION

Milwaukee Manufacturers to Allege
New Law Is Confiscatory—First
Experiment Along That Line

MADISON, WIS., Feb. 3.—Plans are under way to test the constitutionality of the new Wisconsin unemployment insurance law. An original action will be started in the supreme court by Milwaukee manufacturers, to restrain the Wisconsin industrial commission from taking any steps under the statute. These manufacturers will allege that the law is confiscatory of their property, stating they are neither able to organize an association under a so-called voluntary plan nor set aside the unemployment reserve called for under the state plan if manufacturers do not themselves formulate some plan of insurance.

MADISON, WIS., Feb. 3.—Wisconsin is to be the first state in the union to try out an unemployment insurance law. The Groves bill passed by both houses, has been signed by the governor.

Under the bill each employer will set aside \$75 for each employe through a special tax on payrolls. When an employe is laid off he will draw up to \$10 a week for a maximum of ten weeks.

There is a provision in the bill that if the industrial commission finds voluntary employment insurance widespread enough to take in a big part of the working population a year from next June, the compulsory law will not become effective.

SIMILAR BILL IN NEW YORK

ALBANY, N. Y., Feb. 3.—The creation of a permanent system of "unemployment reserve funds" to provide workers with a proportion of their regular income during periods of forced idleness is proposed in a bill introduced by Senator Mastick. It is similar to the plan adopted in Wisconsin and is identical with the bill introduced at Albany a year ago by Senator Mastick and Assemblyman Steingut. Under the bill employees when involuntarily unemployed would receive not to exceed \$10 a week for a period limited to 13 weeks in a year.

**Casualty Activities
From San Francisco**

SAN FRANCISCO, Feb. 3.—The spring series of lectures of the Casualty Insurance Institute of San Francisco will commence Feb. 8. The first will be "A Discussion of Unemployment Insurance" by Cyrus K. Drew, editor "Western Underwriter."

The remainder of the schedule is as follows: Feb. 23, "Plate Glass" by C. J. Bosworth, manager Fidelity & Casualty; March 7, "Accident and Health" by A. C. Welsh, superintendent of claims department Travelers Indemnity; April 4, "The Relation Between Accident Frequency and Compensation Rates" Walter A. Chowen; "Steam Boiler," Robert E. Hopps, Hartford Steam Boiler; May 2, "Machinery," A. C. Lamb, superintendent engineering department Ocean Accident & Guarantee; May 16, "Water Damage," W. B. Brandenburg, superintendent casualty department Maryland Casualty; May 31, "Inland Marine" A. H. Mueh, Fireman's Fund.

* * *

The Globe Indemnity, Fidelity & Casualty and Travelers are elected members of the northern California committee of the California branch of the National Bureau of Casualty & Surety Underwriters.

* * *

R. W. Forsyth, manager Indemnity Insurance Company of North America, was elected chairman of the California conference on acquisition and field supervision cost for casualty insurance at the annual meeting held in San Francisco. Joy Lichtenstein, Hartford Accident & Indemnity, was elected vice-chairman.

The Employers Liability, Travelers Indemnity, Indemnity Insurance Company of North America, Hartford Accident & Indemnity, Ocean Accident and Fireman's Fund Indemnity were elected members of the northern California sectional committee of the governing committee of the organization.

Fireman's Fund Indemnity

The Fireman's Fund Indemnity, doing a nation wide business, wrote \$1,866,000 in premiums during 1931, the first full year of its operation. The Occidental Indemnity, confining its operations to the Pacific Coast, wrote \$1,258,000.

Would Give Funds Priority

ALBANY, Feb. 3.—A bill has been introduced in the New York senate giving municipal and school fund deposits priority in banks which have been designated as depositories but have not given security for the payment of deposits.

CHARACTER

American Surety Group

AMERICAN SURETY COMPANY
of New York
(Organized 1884)
Home Office
100 Broadway
New York, N. Y.

NEW YORK CASUALTY COMPANY
(Organized 1890)
Home Office
80 John Street
New York, N. Y.

CANADIAN SURETY COMPANY
(Organized 1913)
Home Office
Canada Permanent Bldg.
Toronto, Can.

CIA MEXICANA DE GARANTIAS, S. A.
(Organized 1913)
Tacuba and Marconi St.
City of Mexico
Mexico

built on long and faithful
service is an important
asset of any company.

The prestige of the
members of the American
Surety Group is symbolic
of a quality of service
which denotes character.

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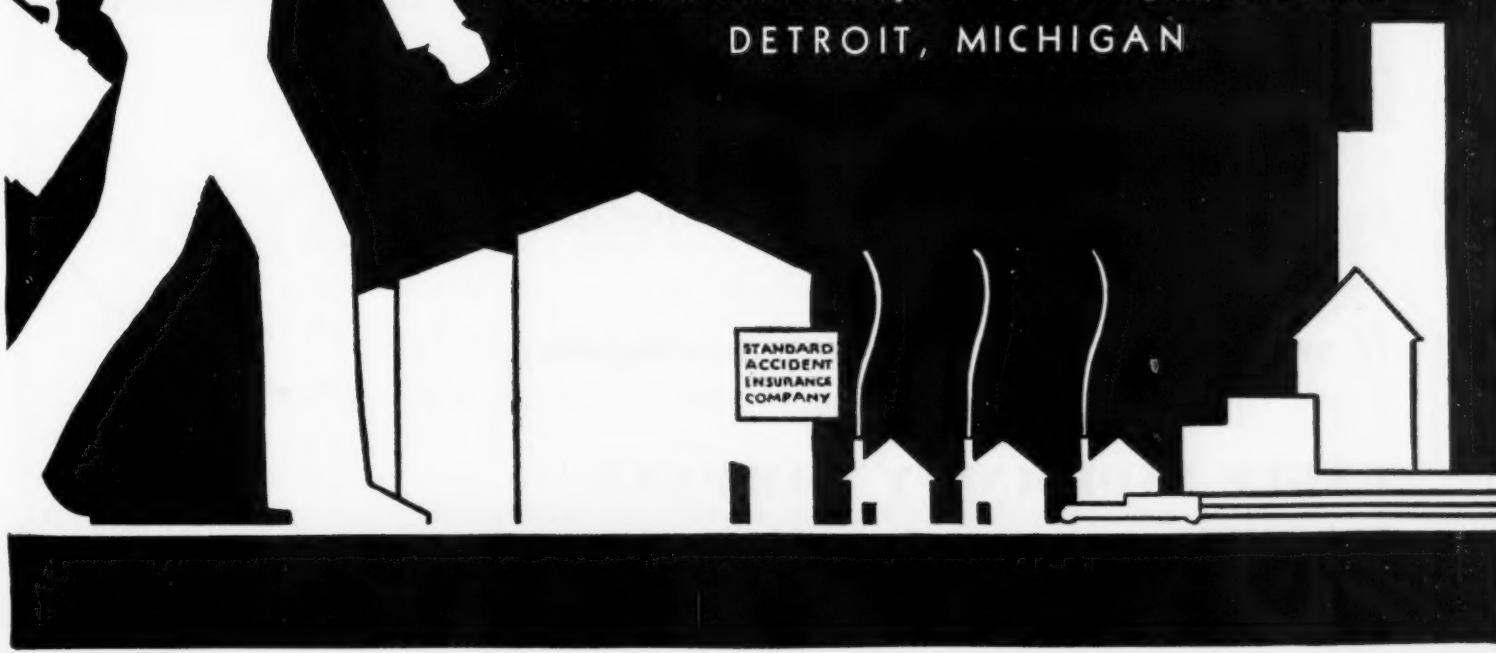
To swerve from ethical ways of obtaining business is a daily temptation to insurance companies. In many cases, the agent would be omitted from the picture, and the business written direct. » » But here at Standard we push aside that temptation. We know our progress can only come from the progress of our agents . . . and we know, too, that they are capable of handling any risk, regardless of its size or complications. » » That is why we believe so completely in the American Agency System . . . why we can say that here at Standard "the insurance agent always comes first."

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Wants the New Automobile Rates Strictly Enforced

INCREASE HELD JUSTIFIED

Some Dispute Arises as to the Efficacy of the Merit Rating Proposition

NEW YORK, Feb. 3.—Public liability and property damage rates issued by the National Bureau of Casualty & Surety Underwriters and effective in 15 states as of Jan. 18 are being enforced, despite complaints voiced by agents in various localities. A number of the objectors, it is understood, changed their attitude once the experience of the companies in their particular territories was submitted, the local men being convinced that the revised charges were wholly justified. Nothing has been done thus far with respect to the merit classification plan which was designed to supersede the merit rating method. The revised plan was never put into operation, numerous flaws in its composition having been discovered following public announcement of the complicated mechanism.

Eventuality Undetermined

What will eventually be done in connection with it remains to be determined. Some managers favor its entire abolition while others figure it can be successfully modified. Though informally discussed by the bureau staff no changes of a concrete nature have yet been considered. Not a few underwriters would like to see the merit rating plan restored; holding it made a strong appeal to careful drivers. The decision of the bureau to abandon the latter method of automobile rating in favor of the penalizing idea was directly responsible for the resignation of the Indemnity Insurance Company of North America and the Alliance Casualty,

Hudson Reviews 20-Year Changes, Problems of Today

KANSAS CITY, Feb. 3.—Speaking before the Kansas City court of Cat's Meow, Dennis Hudson, president Central Surety, who has been in the insurance business more than 30 years, and in the casualty field more than 20, gave a vivid picture of the changes that have occurred in casualty insurance the past two decades. The ability of casualty men to stay in the business at all today, Mr. Hudson said, depends upon their ability to keep up with developments in the business.

He said when he entered the business there were less than 3,000,000 automobiles in the United States. Today there are 25,000,000. In a crisis such as the business has faced the past two years, companies and agents are bound to sink or swim together.

As indicating the fundamental nature of the changes that have occurred, Mr. Hudson cited guest coverage. Ten or 15 years ago, a guest who sued his host would have been ostracized. Twenty-five years ago it was extremely bad form to sue one's employer. Yet these are only two out of a number of the things that have developed rapidly into problems of almost every-day occurrence for the casualty man. It is even not uncommon nowadays to have a wife sue her husband or children sue their parents for damages.

Because the public hasn't been educated as it should have been by agents in accident prevention, rates have

from the bureau. Both of the resignations are still pending, the stipulated acceptance date not yet having been reached.

mounted steadily, the penalty of an increasing automobile hazard. Cooperation of assureds is fundamental in keeping down rates. If public indifference increases, or even goes on as it has been, state governments, Mr. Hudson warned, are going ahead and establish their own rate-making bodies. Already there are rumblings and signs of such possibilities. To make clear the seriousness of the picture he was painting, Mr. Hudson pointed out that the rate increase of one year is being absorbed before the end of the year, and companies are continuing to show an underwriting loss.

"We have to work out our own salvation," Mr. Hudson concluded. "The past two years we have had more education than in the previous 15, and I have but to mention how methods of collection, ways of keeping up volume, etc., have changed to show you that we must meet new conditions."

Garage Attendant Covered

The omnibus clause in an automobile liability policy covers a garage attendant delivering the assured's car to the assured at the latter's request, according to reports of a case against the Travelers handed down by the Minnesota supreme court recently. Besides the omnibus clause the policy contained a provision excluding liability of the company "to any person or organization other than the named insured operating a public garage." Under the rule of strict construction against the company in case of ambiguity the supreme court said proper words could have been used to exclude garage attendants, if that was the intention.

Pennsylvania Accident Record

Automobile fatalities in Pennsylvania last year totaled 2,038, being a 5.4 percent increase over 1930 and injuries totaled 40,800, being a 2.5 percent increase. There were 46,558 reported accidents as compared with 47,917 in 1930.

Changes in Field and Head Office of F. & C. Announced

REMINGTON TO HOME OFFICE

J. A. Berry Transferred to Philadelphia
—C. W. Spader to Newark—H. V. Upington Takes on Brooklyn

NEW YORK, Feb. 3.—Changes in the head office and field staff of the Fidelity & Casualty, recently determined upon and now effective, have been announced by Ernest Sturm, chairman of the Board.

H. K. Remington who has been resident manager of the Philadelphia branch, has been transferred to the home office and appointed superintendent of the casualty department and assistant to Vice-President Billings, who is in charge of casualty underwriting.

J. A. Berry, now resident manager of the F. & C. Newark office, will succeed Mr. Remington at Philadelphia. Mr. Berry joined the F. & C. 30 years ago at the home office. In 1920 when the Newark branch was opened he was placed in charge and has built a large premium income.

C. W. Spader, now resident manager of the Brooklyn office will succeed Mr. Berry at Newark. He has been with the F. & C. 20 years and at one time was a special agent in the New Jersey territory now handled by the Newark branch. He has been resident manager at the Brooklyn office since it was opened 12 years ago.

H. V. Upington, resident manager of the Metropolitan office, will take over the Brooklyn office in addition to the balance of the Metropolitan district which he now supervises.

S. L. Marak has been appointed special agent in southern California of the United States Fidelity & Guaranty. He was formerly with the accident and health department of the same office.

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observed a prominent general agent recently as he put his name to an Eagle contract!

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Burglary Loss Ratio Mounts Upward in Recent Months

MUCH BUSINESS CANCELLED

Companies Are Watching All Offerings Very Carefully and Are Trimming Rigidly

NEW YORK, Feb. 3.—Casualty companies have become considerably agitated over the sharp increase in the burglary loss ratio during the last three months. The hot spots throughout the country became still more torrid and new points of excessive loss ratio came into being. A number of companies had pulled out the throttle to some extent on burglary and sought that line intensively. It had been a profitable class. With the coming on of colder weather burglaries and holdups increased materially. Claims came in from all directions.

Began to Trim Business

A number of companies evidently became alarmed and began to trim out the business in sections where robberies were more frequent and they began to study their assureds more carefully. Where there was any suspicion of moral hazard or any doubt as to the physical character of a risk, either residential, apartment or business, the policy was canceled. This action therefore has thrown a large volume of so-called floating business on the market.

Offerings Being Scanned

Agents have attempted to replace this business in other companies or assureds have gone to other agents with the hope of getting policies. Therefore underwriting departments have become suspicious and are scanning offerings more closely than ever. Companies are canceling by telegraph where they are doubtful as to the character of the business written. The lack of employment and general hard times are given as the chief causes for the bad showing. Altogether the companies are going through a strenuous time these days with their burglary business.

General Casualty Restricts Field; Beyer Transferred

O. H. Beyer of the General Casualty, who has been in charge of operations at the head office in Seattle, has been transferred to San Francisco as California manager. The General Casualty has pulled out of the east and middle west and will concentrate on the coast, although the General Fire and First National will continue to operate more extensively. Mr. Beyer was formerly located at San Francisco for the Phoenix Indemnity, before that having been Phoenix Indemnity manager at Chicago.

George C. Huskins has been appointed to take over much of Mr. Beyer's work at the home office. He started in 1912 with his father in the general agency business in Lewiston, Me., and later became interested in adjusting and special agency work. He was an independent adjuster at Portland, Me., for some time. He also had special agency experience in Boston and other parts of New England. Then he went to the coast and opened a branch office for Oregon, Washington and Idaho for the International Indemnity. In 1928 he joined the United Pacific Casualty as vice-president and handled production and underwriting for Washington, Oregon, Idaho, British Columbia and California.

Norman E. Burman has been re-appointed contract special agent at the Newark branch office of the United States Fidelity-Guaranty. He was formerly with the U. S. F. & G. but left to engage in other business.

Insurance Men Opposed to Aviation Control by I. C. C.

BRATTON BILL IS UNPOPULAR

Safety Can Best Be Advanced Under Department of Commerce Regulation, Underwriters Say

NEW YORK, Feb. 3.—Most aviation insurance men feel that the present would be a very poor time for the passage of the Bratton bill, which would make interstate commercial aviation subject to the interstate commerce commission. The bill was introduced at a previous session of Congress but was not acted upon. It was reintroduced at the present session.

From the insurance point of view it is felt that it would be a false step to do anything which would lessen the importance of the excellent and sympathetic job of regulation now being done by the department of commerce. While bringing the I. C. C. into the picture would not wholly overshadow the department of commerce's work, the division of control would necessarily put the department somewhat in the background.

Safety Is Paramount

The insurance companies' chief concern is for safety, and for this reason it might be presumed that regulation by the commerce commission, with its power to fix rates and prevent cut throat competition, would be in the interest of increased freedom from accidents. However, in the present unsettled state of the air transport industry no one knows just what rates are adequate and there is a good deal of reason to believe that anything in the nature of arbitrary regulation would be a serious setback to an industry which is having a hard enough time as it is.

Conditions in the industry are changing, as are designs in planes, and all have their effect in determining rates. For example, a ship built in 1931 can be operated at rates of fare that would be entirely inadequate for a plane of the same capacity five years old. Higher speeds and the tendency toward single-engined planes are among the items which may have a definite, but as yet undetermined, effect on rates.

Some Airline Operators Favor Plan

Practically the only persons connected with aviation who favor putting the airlines under I. C. C. control are certain airline operators who feel that it would be to their own advantage to have a body controlling interstate operations which would have the power to prevent the formation of competing airlines for which it might be decided that there was no public necessity.

Outside of these interests, the feeling is that it would be unfair to permit any such monopolies, especially in view of the work that the federal government has done in providing beacons and emergency landing fields. The case is quite different from that of the railroads, where a great deal of money is invested in trackage and rights of way.

As to the interest of the railroads in seeing a competing carrier placed under the same supervision that they themselves are, aviation is usually considered a minor menace, compared to the motor truck and inland waterway.

Simpson Succeeds Mummert

O. L. Mummert has resigned as resident manager of the London Guarantee & Accident at Indianapolis and is succeeded by Kyle E. Simpson, who has been field assistant under Mr. Mummert for the past five years. Hereafter the general agents in Indiana will report direct to the New York office. Mr. Mummert has not announced his plans for the future.

CASUALTY ASSOCIATION NEWS

New Liability Phase Reviewed

Halleman and Miller Talk to Chicago Casualty Field Club—Occupational Claims Costly.

A phase of contractual liability much needed but seldom covered was discussed by E. J. Halleman of the Globe Indemnity at the meeting this week of the Casualty Field Club of Chicago. At the same meeting Ralph Miller of Conkling, Price & Webb discussed the growth of common law claims for occupational diseases that come under the coverage of compensation policies.

General liability policies cover liability imposed by law, and exclude claims for which the assured has made himself liable by contract. In Chicago and many other large cities permits for canopies, sidewalk elevators, coal holes, signs overhanging the sidewalk, etc., are granted only upon the filing by the property owner of a long term bond protecting the city against claims for damages from such devices. A general liability policy will cover the property owner on claims brought directly against himself. However, many of those injured bring suit against the city. The bonding company has to pay, and then goes back on the property owner under the terms of the bond. Such city claims of the bonding company against the property owner are not covered by the general liability policy. This is contractual liability, and either a separate policy or an endorsement for additional premium should be issued.

Occupational Diseases Costly

Claims for occupational diseases are costing the compensation companies large sums of money. Some states have laws bringing occupational diseases under the compensation laws, but other states name only certain diseases, such as those resulting from sulphur, etc. That leaves all other diseases under the common law. Silicosis is proving the most expensive single disease. It is practically certain to prove fatal, but the onset covers a long period of years. One Connecticut employer carried its own

compensation from 1914 to 1922, when it took out private insurance. Within the next four years the private carrier was subjected to 26 claims for \$86,000. In Missouri one stone company has \$400,000 in claims, and the number of employees at one time never exceeded eight. A stone cutter worked in the Vermont granite quarries for many years, then went to Chicago and worked in a monument yard. After being there only a short time he was disabled and died in about a year. This kind of claim is giving the companies much concern and committees of the National Bureau and also of the National Council are now at work on the problem.

"Free Press" Man to Speak

DETROIT, Feb. 3.—Malcolm W. Bingay, editorial director of the Detroit "Free Press," will speak on "Topics of the Times" at the annual dinner of the Casualty & Surety Field Club of Michigan Feb. 5. The executive committee at a meeting Monday prepared a slate of two candidates for each office, to be presented at the annual meeting.

Hear Camera Man in Des Moines

DES MOINES, Feb. 3.—George Yates, well known newspaper camera man, will speak at the bi-monthly meeting of the Casualty & Surety Club of Des Moines Feb. 8 on "Newspaper Photography."

Twentieth Anniversary Meeting

The Casualty Adjusters Association of Chicago will celebrate its 20th anniversary at a meeting in the Germania club Feb. 16. A number of past presidents will be given places of honor. The executive committee met Wednesday to lay plans for the gathering, which will be given over largely to entertainment. Herman Wagner, now retired, who was for 40 years connected with the Employers, was the first president and served several terms. The association was organized originally to discharge necessary functions in connection with handling workmen's compensation insurance.

WORKMEN'S COMPENSATION

Tips as Wages Considered

Vary Too Much According to Employee's Personality, House's Character and Type of Clientele

AUSTIN, TEX., Feb. 3.—The question of whether tips are wages was discussed at a hearing before the Texas board of insurance commissioners here last week. It was proposed to include tips in fixing the basis of pay on which workmen's compensation claims are computed.

Protest from the Hotel Men

The directors of the Texas Hotel Men's Association appeared before the board and entered protest against inclusion of tips in figuring wages of hotel employees for compensation.

The hotel directors protested that use of tips in figuring wages was too intangible; that the amount of tips received by hotel employees depended largely on the personality of the employee; largely on the clientele of the hotel and the sobriety of the guests, in some instances.

Argument also was made by the hotel representatives that the compensation law was not broad enough to include tips in wage computation.

Arguing that Texas rates were in excess of those charged in adjoining states,

a general protest against the workmen's compensation rates on hotels also was entered.

Commissioner Tarver said he believed that some method could be worked out that would be fair to all interested parties. He said that tips formed a part of the compensation of certain hotel employees from a common sense standpoint. There were a number of other subjects considered at the hearing upon which no action was taken.

Deposits for Self-Insurers

Interest in the Effort to Get Increased Deposits in New York State

NEW YORK, Feb. 3.—Labor Commissioner Perkins scores somewhat against those who have criticized the action in requiring increased deposits from self-insurers to protect present and future compensation claims in the news of the receiver appointed for Barrett Nephews Company. This concern is a very old one and was rated as being worth from \$200,000 to \$300,000. It had been self-insuring its compensation risks for 14 years and had on deposit \$5,000. Some months ago Mr. Howard of the self-insurers bureau of the labor bureau office demanded an additional \$5,000. The attorney for the firm made a very

vigorous protest and alleged that its accident record did not warrant this action. The demand was later made for a \$10,000 increase or \$15,000 total deposit. It was never complied with and about a year ago the self-insuring plan was abandoned and the Massachusetts Bonding took over the business. The controversy with the department was not abandoned but no increase of the \$5,000 deposit was made. Now that a receiver has been appointed, Miss Perkins may find justification for her position.

It is alleged, however, that there is considerable inconsistency in the practice of the department regarding such matters. The American Can Company with an insurance reserve of nearly \$5,000,000 to protect its insurance losses due to compensation hazards had \$80,000 on deposit and was asked to put up \$160,000 but it is stated to have compromised on \$120,000. A prominent steamship company, said to have had on deposit \$50,000, was successful, it is said, in reducing the amount of that deposit to \$5,000 in view of its exceptional accident record. Some members of the important Self-Insurers Association, composed of 94 of the largest and most important interests in the state, say that the commissioner in the matter of these deposits makes fish of some and flesh of others.

Agents Demand Clarifying of Accident Fund's Status

LANSING, MICH., Feb. 3.—Protests filed with Governor Brucker indicate that Michigan agents, irked at the recent activities of the state accident fund, are going to insist on a thorough investigation of the fund's operations and a determination of its exact status in relation to the state government.

The fund, under management of Roy M. Watkins, has been rather aggressively soliciting compensation business among employers throughout the state and has been, protesting agents claim, utilizing the prestige of the state government as an unfair lever to divert the business to this quasi-governmental institution. Representative Melvin Lee of Royal Oak, an agent and influential politician, filed formal complaint with the governor and Representative James Wilson, Kalamazoo, also an agent, is said to have preceded him in this action. Both are members of the insurance committee of the lower house of the Michigan legislature.

The unfair methods used, rather than the existence of the fund, form the basis of the complaints. It is contended that solicitors for the fund are presenting business cards carrying the heavily embossed seal of the state, that the fund's stationery also carries the state seal, and that solicitors are provided with cars owned by the fund and bearing licenses issued only to state departments and institutions.

The agents insist that the fund is not truly a state institution but merely a mutual insurance organization which utilizes the state's facilities in its operations in order to furnish compensation coverage for the state government itself and for insurers who do not care to place their business with private carriers.

Plan to Write Compensation

Chubb & Son of New York, managers of the United States Guarantee, state that the decision to accept workmen's compensation lines is based on their desire to give a more complete coverage to some interests that they have in charge. They do not intend to write this business extensively. Offices have been fitted up for the new department at 80 John street. Walter Hall, formerly with the Employers Liability, is in charge of claims and Dr. A. H. Dugdale, formerly in the claims department of the same company, is fitting up a medical laboratory.

Amendments Proposed to Pacific Coast Cost Rules

LOS ANGELES, Feb. 3.—At a luncheon meeting of Los Angeles casualty managers and the northern and southern California committees of the acquisition cost conference, the subject of proposed amendments with reference to rules suggested by the joint committees was discussed by R. W. Forsyth, vice-chairman of the northern California committee. Eight maximum production points in the state are provided by the proposed amendments, together with dual representation at Los Angeles and additional qualification for general agents, these changes being recommended in order to overcome difficulties encountered in development of the conference. A. I. Zimmerman, chairman of the southern California committee, presided and the northern California committee was represented by R. W. Forsyth, Indemnity of North America; B. G. Wills, Fireman's Fund Indemnity, and Joy Lichtenstein, Hartford Accident. Los Angeles casualty managers generally are opposed to eight maximum production points, this being considered too many. There is also considerable opposition to dual representation. Voting on the proposals is now in progress and is expected to be completed within the next few days.

International Reinsurance Figures

Preliminary final figures of the International Reinsurance of Los Angeles give gross income from all sources. In 1931 as \$11,580,000, an increase of 50 percent over the previous year. Total disbursements exclusive of dividends were \$8,118,000. While the income for 1931 advanced 50 percent the increase in home office overhead was but 17 percent. Dividends paid during the year amounted to \$300,000. The gross assets, now \$9,179,000, are greater by \$3,221,000 than a year ago. The net surplus is \$2,860,000.

Even considering the heavy losses suffered by the company in common with all others granting bank deposit guarantees, the experience of the International last year, President C. M. Hanson feels, was "eminently satisfactory."

Opens Chicago Service Office

The Sun Indemnity has opened a service office in Chicago to take care of agency and assureds' requirements in northern Illinois, exclusive of Chicago, which is controlled by a general agency, and has placed H. W. Kenyon in charge. Mr. Kenyon has been head of the company's service office in Des Moines, which post he will retain in conjunction with his new connection. The service office of the Sun Indemnity at Detroit has been closed. Future needs of that territory will be taken care of direct by the company from its headquarters in New York.

Trusted Employee Hunted

Defalcations totaling \$25,000 and extending over a number of years are charged against Miss Dorothy Lunbar, cashier of the Hartford Accident office in Chicago, and the woman, who quit last October after working for the company ten years, is being hunted by police. The fidelity risk was underwritten by the American Surety which is pressing the case. The amount involved ranges from \$25,000 to \$35,000, of which \$10,000 was taken over three years ago and thus is excluded by the statute of limitations.

Miss Dunbar was a highly trusted and respected employee, being over 40 years of age. Her peculations were thoroughly covered up by false entries, it is charged, but were found out when apparent difficulties arose over collecting premiums on some policies. A preliminary audit of her books, it is said, disclosed some discrepancies, and a thorough check showed up the large total.

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NATIONAL CASUALTY COMPANY
Detroit, Michigan
W. G. Curtis, President

Issue on Hospital Charge in Compensation Cases

COSTS HAVE GONE UPWARD

Claims Committee Has Had the Matter Under Consideration and Will Make a Report

NEW YORK, Feb. 3.—The sub committee appointed for the companies writing workmen's compensation to confer with representatives of the United Hospital Fund and the Associated Hospitals of New York State on the matter of per diem charges for ward compensation cases, held a meeting. Members are uncommunicative regarding the result of the meeting in advance of a report to the medical committee of the National Bureau of Compensation Insurance but it is learned that very little progress was made. There is a decided difference of opinion about the methods of cost accounting used by the hospitals. Some of these methods include the cost of maintenance of private rooms, never used for compensation cases, so many of which are now vacant. Depreciation, fixed charges and other items not fairly chargeable to compensation cases, according to members of the carriers committee, are found on cost accounting sheets.

Try to Make Up Deficit

The hospitals are undoubtedly without the usual number of private room cases and are having a decreased number of accident cases owing to the unemployment situation and seem to be trying therefore to make up the deficit by increased charges on the carriers. A claims official points out that a hospital making a ward room charge of only \$5 a day, for instance, usually has extra charges for use of operating room, x-ray pictures, special bandages (as in a hernia case) blood counts, urinalysis and other items which may easily make the total charges for a treatment of a case for three weeks average well over \$6 a day.

It is said that the Utica Mutual is seeking to appeal from the decision of the appellate division court made last fall which gave legal support to this movement on the part of certain hospitals to increase their charge on compensation cases. The decision referred to having been unanimous, the consent of at least one member of the court will be necessary for an appeal but it is hoped to gain that consent. Particularly in view of the testimony introduced in the Utica Mutual case where one hospital official testified that if two patients were admitted, both having been injured in the same accident but only one coming under the compensation act, that patient would be charged \$4.50 a day and the other only \$3 a day.

Drastic Changes in Group Are Up

(CONTINUED FROM PAGE 33)

panies had reduced it to three months. The second important change was to pay claims in installments instead of lump sums. A number of important companies, however, had previously dropped lump sum payments. The third change was the increase of the waiting period from three months to six. Where disability was obviously total, as in dismemberment cases, waiting period and installment payment requirements are waived when the insured so desires.

Generally Not Bad

Group insurance as a whole is considered to have held up very well under trying conditions. Employers have been liberal in extending benefits to their employees. No big cases have been cancelled and some very large ones have been put on the books. Increased in-

terest in old age pensions and the placing of a number of important ones in force are looked upon as a stabilizing force in the group field.

Cost Conference Making Some Progress in Meeting

(CONTINUED FROM PAGE 33)

but will prove workable as well, a highly important consideration.

W. H. Bennett, secretary National Association of Insurance Agents; T. E. Braniff, president National Association of Casualty & Surety Agents, and T. C. Moffatt of Newark, a prominent member in both agency bodies, will meet with a sub-committee of the casualty acquisition cost conference today to present to company managers the viewpoint of the business producers on behalf of the New York City Association of Local Agents. Its president, G. F. Kern, addressed J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, protesting against hasty action in determining casualty acquisition costs and that decision thereon be deferred in so far as the metropolitan district, at least, be concerned, until the association's casualty committee be given opportunity to confer with the company executives.

Charges Political Rule

L. M. Washburn of Wilkes-Barre, Pa., general supervisor state workmen's insurance fund, has been dismissed for "disloyalty" by W. J. Stiteler, Jr., manager of the fund and state administration leader for Dauphin county. Washburn said his dismissal was "a plain case of 'railroading'." Washburn charged that politics was interfering with operations of the fund. He said about 30 of 50 employes dropped last summer had been reinstated upon orders of P. S. Stahlnecker, private secretary to Governor Pinchot.

Washburn said that last April he made a report recommending savings of approximately \$160,000 in expenses of the fund, which he said, "could easily have been effected except for politics." Administration expenses of the fund will show a drop of approximately \$40,000 in 1931, premiums will show a decline of approximately 20 percent, he said. Washburn said that while the fund should be furnishing the cheapest insurance in Pennsylvania it is actually higher for coal companies and will be higher in the future.

It became known that the dismissal of W. H. Horner of Oberlin, director of the workmen's compensation board, has been recommended. He will round out 25 years in the state service on May 1. No action has been taken.

Non-Boarders Cut 10 Percent

LOS ANGELES, Feb. 3.—Los Angeles representatives of non-conference companies writing automobile insurance held a meeting Friday at which a motion was adapted to follow any changes in conference rates with a deviation of 10 percent. More than a majority of non-conference automobile carriers operated in southern California were represented at the meeting and it is expected that the rate action will be followed during the current year. Underwriters believe this is an indication that there will be little deviation from uniform conference rates between carriers.

Made Department Office

DENVER, Feb. 3.—The Schuyler Agency Co. has been made a department office by the New Amsterdam Casualty, which formerly conducted its mountain business with this agency as general agents. The Schuyler Agency has placed in charge of its casualty department Perry J. Glover, for the past two years special agent for the Independence Indemnity and formerly with the J. R. Gardner general agency.

NEWS OF THE COMPANIES

Travelers Totals Impressive

Large Special Reserves Continued; Additional Reserves Set Up by Three Companies

Total assets of the Travelers amounted to \$651,521,006 at the end of the year; Travelers Indemnity \$21,070,451 and Travelers Fire \$15,910,504.

Capital of the Travelers amounted to \$20,000,000; surplus \$22,313,717; voluntary special reserve \$2,275,698; security depreciation reserve \$7,726,633.

Capital of the Travelers Indemnity is \$3,000,000; surplus \$4,667,918; voluntary special reserve \$2,275,698; security depreciation reserve \$661,853.

Capital of the Travelers Fire was \$2,000,000; surplus \$1,828,605; voluntary special reserve \$1,181,435; security depreciation reserve \$519,756.

Paid to Policyholders

During 1931, the three companies paid to policyholders and beneficiaries \$113,771,821, bringing total distributions up to \$1,049,164,609.

President L. Edmund Zacher said that the policy had been continued of adhering to a conservative investment policy, including wide diversification for safety of principal and income and marketability. He said that there are more promising conditions of business recovery now than in many months.

The three companies continued to maintain large special reserves and additional special reserve items were set up. The amounts in the security depreciation reserve have been calculated on the formula recently announced by Commissioner Dunham of Connecticut. Total reserves of the Travelers amount to \$619,207,289, gain \$33,247,884; total reserves of the Travelers Indemnity \$13,402,533, gain \$86,149; total reserves Travelers Fire \$12,081,899, gain \$1,307,098.

Total cash income of the Travelers Indemnity was \$13,629,366. Property damage and collision premiums amounted to \$8,179,291; steam boiler, \$883,917; liability, \$651,155; burglary, \$2,452,857; plate glass, \$653,966; machinery, \$128,021. Total claims paid by the Travelers Indemnity amounted to \$4,918,765.

Total cash income of the Travelers Fire amounted to \$9,830,674. Fire premiums were \$6,455,024; automobile, \$1,877,560; windstorm, \$394,688; miscellaneous, \$502,589.

Strength Shown in Report of Massachusetts Bonding

Total assets of the Massachusetts Bonding are reported at \$17,207,627 at the end of 1931 compared with \$17,904,100 at the end of 1930. Securities were based on average values. Surplus amounted to \$4,187,552 as compared with \$4,618,407.

President T. J. Falvey reported decrease in net premiums of \$134,986. Interest, rents and other income totaled \$957,478, decrease \$30,025. Underwriting loss was \$226,923.

Motor Vehicle Casualty Shows Increase in Assets

The Motor Vehicle Casualty of Chicago reports total assets \$632,034, increase \$70,000, as compared to Dec. 31, 1930. Net premiums written were \$598,000; losses paid \$297,013; policyholders' surplus \$251,343; premium reserve \$300,715, increase \$147,000.

The Consolidated Indemnity and the Ohio Casualty have withdrawn from Alabama.

Continental Casualty Report

Chicago Company Held Up Well Under Strain—Net Surplus Is Now Shown to Be \$2,552,820

Total assets of the Continental Casualty amounted to \$22,377,832; premium reserve \$7,872,115; claim reserve \$6,221,186; contingent reserve fund \$800,000;

capital \$3,500,000, and surplus \$2,552,820. The contingent reserve fund is stated to be more than adequate to allow for the difference between the security values as officially adopted by the National Convention of Insurance Commissioners and the values as determined by Connecticut.

Net premiums written amounted to \$19,564,618 as compared with \$19,976,064 in 1930.

Because of the financial conditions in the latter part of 1931, the Continental increased its holding of short term United States government obligations. Most of the Continental Casualty's portfolio consists of fixed income securities.

The already modest amount of common stock was decreased by sale early in the year.

Part of the decrease in premiums is attributed to more careful underwriting. "With unstable financial conditions," the management states, "it seemed wise to exercise more than the usual amount of conservatism in the acceptance of risks, especially in those lines where the hazard is accentuated by lack of business stability."

Despite the reduction in volume, the expense ratio increased by less than three-tenths of one percent.

Losses increased by 3.8 percent of the premiums earned. That the increase

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NATIONAL SERVICE

Automobile

Plate Glass

Burglary

Public Liability

Compensation

Accident and Health

Fidelity and Surety

Bonds



Condensed Financial Statement

As Certified to the Missouri Insurance Department as of December 31, 1931

ADMITTED ASSETS

Mortgage Loans on Real Estate, First Liens*	\$ 859,342.77
Bonds*	
United States Government.....	\$ 176,968.75
State, County and Municipal.....	1,768,365.00
Railroad.....	263,150.00
Public Utilities and Miscellaneous.....	55,550.00
	2,264,033.75
Real Estate.....	25,861.06
Premiums in Course of Collection, Under 90 Days.....	544,344.06
Cash in Office and Banks.....	521,183.47
Accrued Interest on Investments.....	50,308.07
Other Admitted Assets.....	21,305.87
Total.....	\$4,286,989.26

*Valuations approved by the National Convention of Insurance Commissioners.

LIABILITIES

Reserve for Unearned Premiums, 50 percent Basis.....	\$ 1,103,912.85
Reserve for Losses.....	
Liability and Compensation, Schedule "P," Statutory.....	\$ 709,641.21
Other than Schedule "P".....	173,657.24
	883,298.45
Reserve for Commissions, not yet due.....	133,855.96
Reserve for Taxes and Other Items Payable.....	67,251.91
Reserve for Total Amount Final Payment on Agency Plan.....	25,100.00
Special Contract Reserve.....	236,833.76
Total Reserves.....	\$2,455,152.93
Capital.....	\$1,000,000.00
Surplus.....	831,836.38
Surplus to Policyholders.....	\$1,831,836.33
Total.....	\$4,286,989.26
Net Premiums Written After Reinsurance.....	\$2,612,632.46
Increase in Premiums After Reinsurance.....	864,488.32
Increase in Admitted Assets.....	344,675.39
Increase in Reserves.....	435,473.21

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DENNIS HUDSON, President

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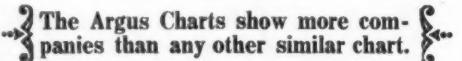
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was not greater, the management attributes to the fact that the Continental Casualty has never engaged in the mortgage guarantee business and that its depository business has been small. For the first time since 1928, the Continental showed an underwriting loss. At the close of the year capital, surplus and contingent reserve aggregated \$6,852,820 as compared with \$7,359,958 at the end of 1930.

Figures for Year Shown

Aetna Life and Aetna Casualty & Surety Present Some Items From Their Statements

The Aetna Life's life department premiums last year were \$80,243,646. In the accident and liability department the premiums were \$26,342,386 which is \$940,638 less than a year ago. The underwriting loss in that department was \$379,741. In the life department there is shown new business \$723,403,205 with life insurance in force \$3,780,832,-821. There was paid to policyholders in the life department last year \$62,964,597 and in the accident and liability \$14,444,-263. The Aetna Life assets are \$437,-949,074, increase \$13,172,898. To adjust security holdings to December values deduction from surplus in form of security reserve amounting to \$2,732,046 has been made. In addition there is a depreciation reserve of \$6,000,000. The net surplus, in addition to paid up capital of \$15,000,000 and special reserves, amounts to \$14,075,381, decrease \$9,-892,072.

The Aetna Casualty & Surety shows premiums \$16,774,180. The underwriting loss was \$588,645. The interest income amounted to \$1,206,769, leaving earnings of \$618,124. The assets are \$32,596,011. It set up a special reserve of \$2,151,446 as a deduction from surplus to adjust securities to Dec. 31 valuations. The net surplus was \$7,515,521 not including capital of \$3,000,000, a decrease of \$2,694,508.

U. S. Guarantee Figures

NEW YORK, Feb. 3.—A preliminary statement put forth by the United States Guarantee shows total assets of \$6,849,-243, and a surplus of \$1,673,753 Dec. 31, compared with \$7,159,243 and \$2,630,855 in 1930. Stocks and bonds in the new statement are based upon market values as of Dec. 31, while the liabilities include a contingency reserve of \$300,000. Had the June 30 values, as recommended by the Commissioners Convention been used, the surplus would be increased to \$3,001,499. The net premium income last year was \$3,189,707, an increase of \$521,605. The underwriting gain was \$410,233 as against \$364,371.

Receivership Hearing Postponed

Hearing on a petition for receivership, requested by the Illinois attorney general, for the American Mutual Indemnity of Chicago, which was scheduled for Monday, was postponed until Friday of this week before Circuit Judge Klarkowski in Chicago. The American Mutual Indemnity recently levied a 100 percent assessment against those who were insured in 1929, 1930 and 1931.

Out of Reciprocal Field

Mark D. Rector, brother-in-law of J. S. Kemper and head of A. T. Rector & Co., has now completely retired from the reciprocal field, in favor of a mutual plan of operation. The Plate Glass Reciprocal Underwriters of Kansas City, which was operated by A. T. Rector & Co., has been transferred to H. C. Frick & Co. of Kansas City. The name has been changed to the Allied Underwriters. The Fidelity & Surety Underwriters, which has been managed by Frick & Co., has also been merged with the Allied Underwriters.

Some time ago A. T. Rector & Co.

Gravel Thrown by Bus Impairs Woman's Sight

A new phase of liability and property damage insurance presented itself to a Mississippi bus company recently when one of its buses traveling at a high rate of speed threw a gravel into a private automobile, impairing the eyesight of a woman occupant. The lower court awarded \$12,000 damages to the woman. The supreme court cut the award to \$7,000.

transferred the Sprinklered Risk Underwriters to the Sprinklered Risk Mutuals. Mr. Rector maintains headquarters in the Mutual Insurance building in Chicago, which is occupied by the Kemper companies.

Central Surety Gains

KANSAS CITY, MO., Feb. 3.—President Dennis Hudson reports that the Central Surety had a satisfactory year in 1931. It now has \$4,286,998 assets, an increase of \$344,675; \$1,103,912 reserve for unearned premiums, and surplus of \$831,836. It has \$1,000,000 capital. Net premiums were \$2,643,623, an increase of \$364,488. There was an increase of \$435,473 in reserves, while the surplus showed a decrease of \$90,797. The decrease in surplus was \$65,-225 in the first quarter, \$11,717 the second, \$10,286 the third and \$3,567 the fourth. These figures are very encouraging for the future.

American Bankers New Directors

At the annual meeting of the American Bankers the board of directors was enlarged by two new members, W. T. Elliff, president First National Bank of Mackinaw, Ill., and T. E. Sly of East St. Louis, who was executive vice-president of the Citizens National Life, which was reinsured in the American Bankers last year. The directors declared a dividend of 6 percent.

The American Credit Indemnity, as of Dec. 31, had \$3,168,170 in admitted assets compared with \$3,950,160 at the end of 1930; \$1,000,000 capital and \$486,358 surplus.

Indemnity of North America—Assets, \$17,379,307; unearned prem., \$5,837,756; loss reserve, \$1,480,620; liability reserve, \$2,632,573; comp. loss reserve, \$2,649,-

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capital, \$10,000,000; surplus, \$3,573,725. 1931 experience:

	Prems.	Losses
Accident	\$1,156,136	\$ 703,239
Health	319,719	221,616
Non-can. H. & A.	6,974	16,523
Auto. liability	7,283,850	4,629,643
Other liability	3,869,905	1,493,996
Workmen's comp.	8,621,152	6,719,824
Fidelity	4,674,098	2,333,531
Surety	4,665,603	5,899,013
Plate glass	533,131	196,926
Burglary and theft.	1,758,984	633,172
Auto. prop. damage.	2,537,010	1,100,747
Auto. collision	492,258	327,846
Other P. D. and coll.	172,105	64,629
Sprinkler	17,365	8,228
Total	\$36,108,290	\$24,348,933

* * *

Benefit Association of Railway Employees.—Assets, \$2,097,667; unearned prems., \$121,415; loss reserve, \$635,055; commissions, etc., due, \$48,566; surplus, \$1,196,472. Experience on 1931 business:

Prems. Losses

Acci. and health....	\$ 266,335	\$ 134,463
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* * *

Ohio State Life.—Assets, \$58,107; unearned prems., \$13,193; loss reserve, \$6,285; commissions, etc., due, \$832; capital (including life dept.), \$500,000; surplus, H. & A. dept., \$36,714. Experience on 1931 business:

Prems. Losses

Acci. and health....	\$ 65,386	\$ 26,719
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* * *

Travelers Indemnity.—Assets, \$21,070,451; unearned prems., \$7,649,830; loss reserve, \$1,621,840; liability reserve, \$269,958; commissions, etc., due, \$415,138; capital, \$3,000,000; surplus, \$4,667,918. 1931 experience:

Prems. Losses

Auto. liability	\$ 392,023	\$ 223,803
Other liability	216,872	121,175
Cargo	2,027	1,341
Plate glass	4,557	467
Auto. theft	28,670	13,085
Auto. tornado	2,849	667
Auto. conversion	147	137
Auto. prop. damage.	161,841	38,462
Auto. collision	69,118	36,271
Confiscation	96

Total \$ 756,427 \$ 221,375

* * *

Central Mutual Cas., Mo.—Assets, \$100,312; unearned prems., \$29,650; unpaid claims, \$4,000; surplus, \$66,661. 1931 experience:

Prems. Losses

Auto. liability	\$ 12,830	\$ 3,657
Plate glass	21,609	7,935
Auto. prop. damage.	5,346	1,517
Auto. collision	2,016	1,824
Auto. fire, theft and auto. glass	15,306	6,092

Total \$ 57,107 \$ 21,025

* * *

Detroit Auto. Inter-Ins. Exch.—Assets, \$4,245,100; unearned prems., \$1,409,474; loss reserve, \$104,857; liability reserve, \$54,550; surplus, \$2,173,219. 1931 experience:

Prems. Losses

Auto. liability	\$ 1,271,024	\$ 575,686
Auto. prop. damage.	526,465	172,183
Auto. collision	648,847	435,153

* * *

Central States Mut. Ins.—Assets, \$4,037; unearned prems., \$2,315; surplus, \$1,278. 1931 experience:

Prems. Losses

Auto. liability	\$ 2,115	\$ 10
Workmen's comp.	225
Auto. plate glass....	34	4
Burglary and theft.	256	45
Auto. prop. damage.	2,512	283
Auto. collision	315	65
Auto. fire	275	6
Auto. tornado	55

Total \$ 5,788 413

* * *

Shelby Mut. Plate Glass.—Assets, \$824,968; unearned prems., \$278,913; loss reserve, \$16,068; liability reserve, \$9,895; commissions, etc., due, \$34,235; capital, none; surplus, \$433,481. 1931 experience:

Prems. Losses

Auto. liability	\$ 74,167	\$ 13,438
Other liability	2,960	190
Plate glass	438,428	229,712
Auto. prop. damage.	36,242	5,240
Auto. collision	500	86

Total \$ 552,299 \$ 248,667

* * *

Midwest Life, Neb.—Assets, \$1,652,207; capital, \$300,000; surplus, \$207,398. Experience on 1931 business:

Prems. Losses

Acci. and health....	\$ 53,983	\$ 383
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* * *

Southern Fidelity & Surety.—Assets, \$131,980; unearned prems., \$4,282; loss reserve, \$4,045; commissions, etc., due, \$202; capital, \$76,100; surplus, \$43,723. Experience on 1931 business:

Prems. Losses

Accident	\$ 735	\$ 383
Health	394	33
Other liability	155
Fidelity	10,231	1,023
Surety	2,203	696

Total \$ 13,718 \$ 2,135

* * *

Columbus Mutual Life.—Assets, \$21,004,282; unearned prems., \$126,010; loss

reserve, \$31,097; commissions, etc., due, \$4,624; capital, \$500,000; surplus, \$1,269,169. Experience on 1931 business:

Prems. Losses

Acci. and health....	\$ 266,335	\$ 134,463
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* * *

"Premiums paid by careful drivers are paying the bill for damage claims imposed by the reckless 2 percent who, if removed from the road, could lighten insurance payments for all motorists," Mr. Stoff said.

Fur Line Outcome Vital to I. M. U. A.

(CONTINUED FROM PAGE 3)

the greatest attention to the regulating of truckmen and to insurance requirements for them. The Michigan law, he pointed out, is undergoing changes. The commerce commission of that state is considering the requirement of an endorsement to insurance for truckmen providing that public liability and property damage must be combined with cargo insurance. Mr. Campbell said that it had been brought to the attention of the commission that there is no casualty company writing marine and no marine company writing casualty. Accordingly the combined policy could not be written. He said that the commission is favorable to incorporating in the policy an indemnity feature whereby the truckmen would sign an agreement relieving the insurer of the hazards not intended to be covered.

Mr. Campbell pointed out that there is great difference between the states as to requirements for truckmen in connection with insurance. In Michigan, for instance, the amount of insurance is left open. In some states \$1,000 is required. In others there is a graduated scale; in others, only intrastate truck carriers are required to carry insurance, while in still others only interstate carriers are required to insure. Mr. Campbell pointed out, however, that there has been a decision that a state has no right to control interstate trucks.

Liability of Insurer

In some states the liability of the insurer is limited to the truckmen's negligence; in others the insurer is liable when the truckman is legally liable and in others, notably Iowa, the insurer must pay the final judgment. Mr. Campbell said that there seems to be great ignorance on the part of public service commissions as to insurance features.

The insurance endorsements cover leakage, theft, marrings, etc., although the premiums do not contemplate such coverage. He said that the wisdom of having an indemnity agreement part of the endorsement has been considered. Also the desirability of a franchise clause of \$50 or \$100 has been considered.

Mr. Campbell said that not many losses have been paid by reason of the endorsement under state regulations.

The great danger is in insuring large inter-terminal carriers. Most losses are from fire after upturn or collision. Many of the losses are at night, the drivers apparently having fallen asleep. There have been hijacking losses on tobacco, shoes, soap and dairy products.

Recently hijackers were busy on trucks conveying poultry and eggs. Rarely a load of that character got into Chicago safely. The sheriff was appealed to to provide convoy for such trucks and the hijacking has largely ceased.

One great evil is in giving free insurance to the shipper by endorsing the truckmen's policies to cover the shippers' interests. Formerly, he said, the companies wrote much insurance for shippers who used motor trucks. Mr. Campbell said that in states where motor truck insurance is regulated the charge of discrimination might be brought up because of this practice. It was not originally intended to give direct protection to shippers.

Mr. Campbell said that the average truckman is irresponsible financially. He is usually not a good business man. Everything he has is invested in the truck. It is difficult to induce him to drive fewer hours and to take out time for rest.

The business of competing with railroads is arduous. There is little profit in it for the truckman and none for the insurer.

Mr. Campbell said that one line has been particularly disastrous. That is insuring the moving of new autos by

motor trailers. Nevertheless the companies continue to write it at inadequate rates. Turnovers are frequent and dealers refuse to accept the reconditioned cars. The truckmen have to take them over and the insurer is responsible. The insurer can't get much for the made-over cars.

In this connection, Mr. Campbell related that the first shipment of the Rockne cars recently gotten out by Studebaker, was destroyed in a collision of the driveway trailer with a train in Kansas. It was a coincidence that Rockne was killed in Kansas.

In answer to a question, Mr. Campbell said that the Illinois law requires truckmen to file with the Illinois Commerce Commission and satisfy the commission of ability to pay for damage to property and person. They must supply bond or an insurance policy. However, the commerce commission, he said, has taken the position that this didn't apply to cargo insurance.

H. R. Thiemeyer, field superintendent North America, will be the Blue Goose luncheon speaker March 7. He will discuss reporting forms.

PERSONALS

B. J. Mackey, newly elected president of the New Jersey Casualty & Utility Men's Protective Association, is manager of the home state claim department of the Bankers Indemnity of Newark. He has a thorough knowledge of claim procedure, gained through 22 years experience in handling losses in Boston and Philadelphia as well as in New Jersey. Prior to associating with the Bankers Indemnity Mr. Mackey served for nine years as New Jersey claim manager for the Globe Indemnity.

George W. Phillips, attached to the Aetna Life Newark office, who was 75 years old in December, recently established a record for a man of his years by writing 42 accident policies in a little more than three months, with total premiums \$1,000. Mr. Phillips became an agent with the Aetna in 1913.

Osborne Sheppard, vice-president of the Motor Vehicle Casualty of Chicago, is confined to the Beaumont Private Nursing Home in Chicago for treatment for a rheumatic-arthritis condition. He has been under treatment for about three weeks and expects to be back at his desk in about 10 days.

In the meantime, full responsibility for operations of the Motor Vehicle Casualty is on G. W. Casey, vice-president. Cyrus L. Garnett, president, is in Italy for an extended stay.

W. H. Caudill, vice-president of the Constitution Indemnity in charge of the bonding department at the home office, has been visiting the company's agencies in Chicago and Minneapolis the past week.

George Haydon, manager of the Wisconsin Compensation Rating & Inspection Bureau, was one of the principal speakers at the meeting of the Memorial Craftsmen of America at their annual convention at Milwaukee Jan. 29. Mr. Haydon explained compensation coverage and ways of reducing risks and costs.

Walter A. Schaefer, president of the Casualty Underwriters Association of New Jersey and head of the Newark agency bearing his name is again able to be at his office for a few hours daily. He has been laid up at his home with an abscess in his nose.

David W. Shand, who has been associated with Marsh & McLennan of Chicago as the head of their liability department for some years, has been elected a vice-president of that organization.

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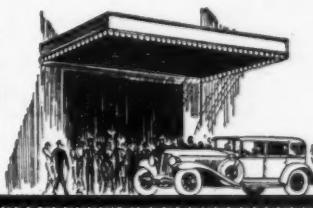
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FIDELITY-AND SURETY NEWS

Doenges Elected at St. Louis

F. & D. Manager Heads Surety Underwriters Association—Alan Hoblitzell Vice-President

Fred H. Doenges, manager for the Fidelity & Deposit, was elected president of the Surety Underwriters Association of St. Louis at the annual dinner meeting. Vice-president is Alan Hoblitzell, manager United States Fidelity & Guaranty; secretary, Walter Zachritz, Charles L. Crane agency, which is general agent for the Union Indemnity.

The executive committee consists of Frank Mead, manager Aetna Casualty; R. L. Edgar, manager National Surety; J. C. Andrix, manager Indemnity of North America; Mark Crawley, F. D. Hirschberg & Co., general agents Globe Indemnity, and C. P. Daniel, Daniel & Henry, general agents New Amsterdam Casualty.

New Kentucky Depository Plan

LOUISVILLE, Feb. 3.—The first bill passed by the Kentucky legislature and signed by the governor is one authorizing the state treasurer to accept state warrants or government securities from state banks, as collateral security for deposits of state money.

Some country bankers in an effort to secure depository bonds have offered to deposit government bonds or similar security as protection to the surety company, but under present state laws, bank assets assigned to a surety company or the state to guarantee deposits, or as collateral, could be held as property of the general creditors if a bank closed, and the holder by law would be forced to return them.

Detroit Probe Ordered

DETROIT, Feb. 3.—An investigation of all bonding companies operating in Wayne county, whose headquarters are in other states, has been ordered by Prosecutor H. S. Toy. The investigation was brought about by the failure of

Will Discuss Form "C" Bond

Some Surety Companies Are Unwilling to Assent to Its Withdrawal from Market

NEW YORK, Feb. 3.—Because of the unwillingness of certain surety companies to assent to the withdrawal of Form C bond, issued to fraternals, as recommended by a sub-committee of the fidelity committee of the Surety Association of America some six weeks ago, the problem will again have to be threshed out by the responsible committee and its action formally reviewed by the governing body. Form C bond was exceedingly liberal as to its terms, virtually assuming liability for loss of funds of an order from whatever cause. A large percentage of the claims filed with the companies under the coverage resulted from the failure of banks in which funds of fraternals were deposited. To such extent was this true that the surety committee to which a study of the entire bond coverage was delegated recommended the discontinuance of the form altogether, sanctioning only the continued issuance of Forms A and B. In keeping with this recommendation some of the companies called in the old form and notified their agents it would no longer be written. Hence the embarrassment to which they are now subjected in learning that the whole matter is to be opened up again.

two men covered by \$115,000 appeal bonds to appear for trial at the designated time, followed by the reluctance of the bonding company to make good on the bonds.

The Michigan law requires bonding companies to have \$200,000 in securities posted to protect the bonds they write. The investigation is designed to make sure that all companies operating in the county have met this requirement. The prosecutor requested the recorder's court to approve no more bonds written by the company involved in this case until the investigation is complete.

ACCIDENT AND HEALTH FIELD

Issues New Non-can Series

Massachusetts Accident Brings Out Forms With Broader Coverage at Higher Rates

A new series of noncancelable policies providing broader coverage at increased premiums to become effective Feb. 15 is announced by the Massachusetts Accident. Policies will terminate at age 60 nearest birthday. They will have an aviation clause, waiver of premium, and provide 100 percent indemnity for loss of limbs and sight as long as the insured lives.

At an additional premium, a rider may be added to provide partial disability indemnity for an unlimited period instead of for 12 months. Minimum limits are \$100 monthly and maximum \$250 monthly. No payment of less than \$15 will be accepted. Medical examination is required in all cases.

Lincoln-Income Life Plans for Merger Given Approval

LOUISVILLE, Feb. 3.—Stockholders of the Income Life at a meeting here voted in favor of the merger of the Lincoln Life & Accident of Oklahoma City with the Income Life under the name Lincoln-Income Life, with head-

quarters in Louisville. P. K. Smith of Oklahoma City, president of the Lincoln, would become chairman of the board; A. L. Noe, Louisville, continuing as president; John T. Acree, Oklahoma City, vice-president; L. F. Carson and A. A. Fischer, Louisville, vice-president; F. W. Hardwick, Louisville, treasurer; N. Gray Rochester, Louisville, secretary.

The Income Life now operates in Kentucky and Ohio, and on completion of the deal will also operate in Oklahoma, where the Lincoln's business is located, maintaining a branch office in that state. The Lincoln's stockholders will meet shortly to vote on the merger. However, its stock is closely held, virtually all of it being in the hands of Messrs. Acree and Smith.

Provident Life & Accident

At the annual meeting of the Provident Life & Accident, President R. J. MacLellan cited the annual statement figures, showing that for every \$1 of liability the company has \$1.34 of assets. Life insurance in force was reported as \$58,627,429. In 1931 the Provident paid to policyholders and beneficiaries \$3,199,319. All officers and directors were reelected.

The Gibraltar Life & Accident of Denver reports an increase of 33 percent in premium income over 1930. It closed the year with 1,200 life policies in force, having only started to write life insurance June 1.



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7. Loss adjustments.
8. Rating schedules and fire prevention.
9. Competition with other kinds of insurance companies.
10. Loss due to interruption of business (use and occupancy).
11. Rents, leasehold and profits insurance.
12. Special forms for big risks.
13. Windstorm insurance.
14. Automobile insurance.
15. Earthquake, rain, flood and hail insurance.
16. Marine insurance.
17. Sprinkler leakage, explosion, other allied lines.
18. Organizing the Salesman's work.
19. Charting your prospect's insurance needs.
20. Finding prospects.
21. Principles of insurance salesmanship.

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What hazards of occupancy can often be eliminated?

What is the "bridging the gap" clause?

If the undamaged part of the contents of a burned building is removed to another place, is it still covered by insurance?

Is expense of boarding up broken windows usually paid for as a direct fire loss?

What is the least amount of property an insured must own in order to have a blanket form?

What is the difference between a blanket form and a general cover contract?

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